

Purchasing Week

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\$6 A YEAR U.S. AND CANADA \$25 A YEAR FOREIGN

Rails Talk Rate Boost but Fear to Risk It

Congressmen Cry: Pentagon Pays Too Much for Too Little

Washington—A new array of serious charges of inept procurement and contracting practices is being leveled against military and civilian government agencies.

• The congressmen have made federal buying practices a favorite whipping post all year long and with each new revelation of alleged improper buying practice, Congressional tempers grow shorter.

• A continuation of such disclosures will bring even greater pressure for vast changes in the methods of government buying and for private concerns contracting with the government.

As a result of Congressional criticism, the Pentagon earlier this year tightened up its supervision of subcontracting procedures.

But a fresh outbreak, in the closing weeks of the Congressional session, goes much deeper and strikes at the old issue of negotiated versus competitive buying.

In part, the new criticisms of the past few days are a reflection of election year politics. Sen. (Turn to page 37, column 1)

Electrical Workers Fire Expensive Opening Salvo Of 1960 Contract Fight

New York—Six big AFL-CIO unions—led by James B. Carey's International Union of Electrical Workers (IUE)—have fired the opening gun in the important electrical industry negotiations. The shot was an expensive set of demands topped by higher wages and job security programs.

Four months before their current five-year contracts with General Electric and Westinghouse run out, the unions last week revealed what they'll be asking at the bargaining table. This includes more than a dozen proposals for contract changes, including a 3.5% pay hike (averaging about seven cents an-hour), (Turn to page 4, column 4)

Output of Tin Plate Hits Near Capacity As Can Sales Soar

New York—Can production hit near capacity last week on orders placed by P.A.'s in anticipation of a prosperous summer. At the same time, major can manufacturers undertook to assure customers that current prices would hold firm this year.

But, while spokesmen for the nation's "big three" can makers agreed that can prices would go up only if steel costs rise, other industry sources injected doubt. Why? "Someone's going to have to pay for the October wage hike."

Under the terms of the wage pact signed last year, National Can Co., American Can Co., and Continental Can Co. agreed to give their workers two 1.3% to 1.5% pay boosts, the second of which comes up this October and (Turn to page 4 column 3)

GE Drastically Reduces Price of Silicon Rectifiers

Syracuse—General Electric has announced a 47% price cut on silicon control rectifiers—a move that pointed to another round of industry price cuts.

The GE reduction applies to its four lines of medium-current devices used to control motor speeds, lighting equipment, and machine tools.

Other producers of medium (Turn to page 39, column 1)

WHAT'S AHEAD IN FREIGHT RATES

Rail: Higher wages may bring selective rate increases late this fall or early 1961. Eastern rails are pressed hardest; Mid-western and Southern groups may try to hold the line longer.

Truck: No further changes; most of the nation's truckers have just put new rate hikes into effect.

Air: No immediate changes; but look for lower rates at yearend or early 1961 after deliveries of the first turbo jet air-freighters.

Barge: No changes expected; stiff competition from both trucks and rails are deterrents.

Parcels: No further changes. Rates were increased approximately 17% in March.

Most Roads Urge Stable Or Even Lower Tariffs Despite Wage Cost Rise

New York—Railroads are talking about rate increases once again—now that they're faced with an increase of about \$200-million in labor costs. But they'll bend over backwards to avoid any rate hikes after the new contracts are signed.

Most railroad observers think that there won't be any increases at all—or that at worst, only selective rate increases will come out of still unsettled wage negotiations.

"We don't intend to throw all our recent gains out the window by instituting widespread rate increases," one top railroad executive told PURCHASING WEEK. "We've got to find some other way to meet this bill."

And this wasn't a solitary viewpoint. Railroad men around the country told PW reporters that they have come too far in pricing themselves "back" into the transportation market to chance a misstep now.

Railroad spokesmen are also stressing still another factor that will work to keep rates stable—the possibility of lower air cargo tariffs that would attract high-rated commodities from the railroads.

How will the railroads meet the proposed wage boost of 10¢ to 11¢ per hr. for most rail employees, and what will be the effect on rates? Here's how the railroad rate situation now shapes up: (Turn to page 38, column 1)

Government Plugs Away at Efforts To Draft Reliable Inventory Forecast

Washington—Two years ago, the Commerce Dept. started with high hopes an experimental program among the nation's manufacturers to forecast inventory buying from three to six months ahead.

Today, the program is still in the experimental stage. Hopes have lessened considerably about its future as a reliable tool for getting a line on advance economic movements and as a guide to purchasing agents about buying patterns developing in industry.

In theory, government experts still feel the idea of an inventory anticipation survey has merit, and this month they are making a move to try to strengthen the program.

But in practice, results of the quarterly surveys among 1,500

major manufacturers and a host of lesser ones have been disappointing.

In the main, survey results have pointed in the general direction that inventory buying was taking—that is, either up or down. But what frustrates the government people is that busi- (Turn to page 38, column 2)

This Week's

Purchasing Perspective JUNE 20-26

SPOTLIGHT—Marketing experts are taking a fresh look at the industrial purchaser and his buying habits. They need to know more about him, how he thinks, and why he reacts the way he does in specific buying situations.

That's why market analysts put the P. A. on the statistical griddle last week at the American Marketing Assn.'s national conference in Minneapolis. They heard a series of reports detailing summaries of industrial buying trends and attempted to probe the breadth and depth of industrial buyer thoughts and attitudes.

• • •
FINDINGS—The marketing experts learned, among other things, that today's industrial buyer is knowledgeable, cagey, and a bird dog for values other than price. It was emphasized that while price commands top level consideration, it more often takes a back seat to other factors—quality, delivery, service and other "value" quantities. Another selling quotient given attention was the fact that industrial buyers are "idea-hunters" as well as value-seekers, and that vendors and their salesmen must consider this also in their selling efforts.

• • •
POLICIES—The emphasis on how to sell to industrial buyers (Turn to page 38, column 4)

P/W PANORAMA

• **It's a Long Haul** from Malaya to Akron via New York, as the rubber companies well know. But five of them found they could make important savings by taking an even longer route. The centerspread (pages 20-21) tells how they did it.

• **State Sales and Use Taxes** are a Hodge-Podge, but knowing when and where it is necessary to pay them—and how much they are—can spell the difference between a good buy and a bad one. Page 14 will give you some help.

• **Business May Be Backing and Filling**, but the consumer is going merrily on his way, buying more and more on credit, confident he'll be able to pay. And financial institutions share this confidence, as the story on page 8 indicates.

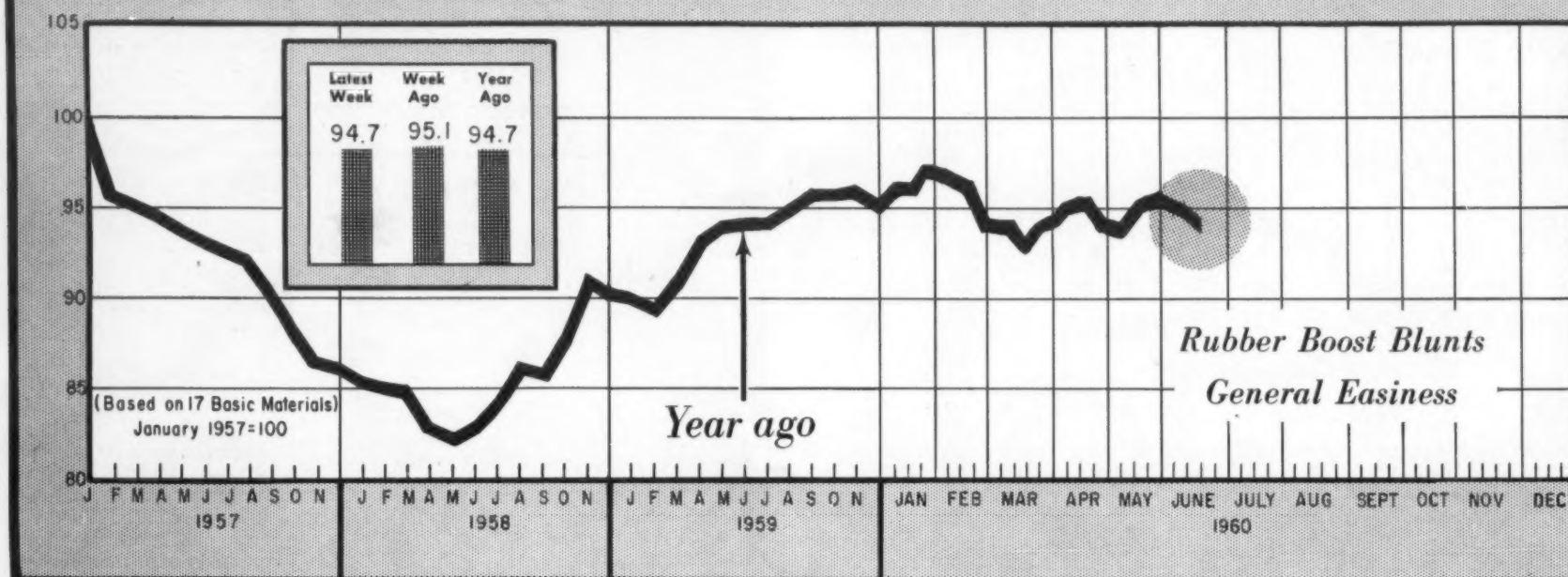
• **Cheap Foreign Goods**—their prices down because of low wages and material costs—are plaguing many U.S. industries. But buyers of British products may soon find higher price tags abroad. The Foreign Perspective (p. 22) tells why.



CAGEY BRITISH: U. S. likes compact cars, so why not compact trucks? British show (see p. 39) features vehicles such as this.

Purchasing Week Industrial Materials Price Barometer

This index, based on 17 basic materials, was especially designed by the McGraw-Hill Department of Economics.



This Week's Commodity Prices

	June 15	June 8	Year Ago	% Yrly Change
METALS				
Pig iron, Bessemer, Pitts., gross ton.....	67.00	67.00	67.00	0
Pig iron, basic, valley, gross ton.....	66.00	66.00	66.00	0
Steel, billets, Pitts., net ton.....	80.00	80.00	80.00	0
Steel, structural shapes, Pitts., cwt.....	5.50	5.50	5.50	0
Steel, structural shapes, Los Angeles, cwt.....	6.20	6.20	6.20	0
Steel, bars, del., Phila., cwt.....	5.975	5.975	5.975	0
Steel, bars, Pitts., cwt.....	5.675	5.675	5.675	0
Steel, plates, Chicago, cwt.....	5.30	5.30	5.30	0
Steel scrap, #1 heavy, del. Pitts., gross ton.....	31.00	31.00	36.00	-13.9
Steel scrap, #1 heavy, del. Cleve., gross ton.....	30.00	32.00	36.00	-16.7
Steel scrap, #1 heavy, del. Chicago, gross ton.....	29.00	29.00	35.00	-17.1
Aluminum, pig, lb.....	.26	.26	.247	+ 5.3
Secondary aluminum, #380 lb.....	.241	.244	.229	+ 5.2
Copper, electrolytic, wire bars, refinery, lb.....	.326	.326	.311	+ 4.8
Copper scrap, #2, smelters price, lb.....	.243	.243	.248	- 2.0
Lead, common, N.Y., lb.....	.12	.12	.12	0
Nickel, electrolytic, producers, lb.....	.74	.74	.74	0
Tin, Straits, N.Y., lb.....	1.014	1.01	1.048	- 3.2
Zinc, Prime West, East St. Louis, lb.....	.13	.13	.11	+18.2
FUELS†				
Fuel oil #6 or Bunker C, Gulf, bbl.....	2.10	2.10	2.00	+ 5.0
Fuel oil #6 or Bunker C, N.Y., barge, bbl.....	2.47	2.47	2.37	+ 4.3
Heavy fuel, PS 400, Los Angeles, rack, bbl.....	2.15	2.15	2.15	0
Lp-Gas, Propane, Okla., tank cars, gal.....	.035	.035	.04	-12.4
Gasoline, 91 oct. reg., Chicago, tank car, gal.....	.02	.115	.115	+ 4.3
Gasoline, 84 oct. reg., Los Angeles, rack, gal.....	.109	.109	.115	- 5.2
Kerosene, Gulf, Cargoes, gal.....	.09	.09	.089	+ 1.1
Heating oil #2, Chicago, bulk, gal.....	.085	.085	.091	- 6.6
CHEMICALS				
Ammonia, anhydrous, refrigeration, tanks, ton.....	90.50	90.50	90.50	0
Benzene, petroleum, tanks, Houston, gal.....	.34	.34	.31	+ 9.7
Caustic soda, 76% solid, drums, carlots, cwt.....	4.80	4.80	4.80	0
Coconut oil, inedible, crude, tanks, N.Y. lb.....	.155	.16	.218	-28.9
Glycerine, synthetic, tanks, lb.....	.293	.293	.278	+ 5.4
Linseed oil, raw, in drums, carlots, lb.....	.168	.168	.16	+ 5.0
Phthalic anhydride, tanks, lb.....	.165	.165	.165	0
Polyethylene resin, high pressure molding, carlots, lb.....	.325	.325	.35	- 7.1
Rosin, W.G. grade, carlots, fob N.Y. cwt.....	14.00	14.00	9.85	+42.1
Shellac, T.N., N.Y. lb.....	.31	.31	.30	+ 3.3
Soda ash, 58%, light, carlots, cwt.....	1.55	1.55	1.55	0
Sulfur, crude, bulk, long ton.....	23.50	23.50	23.50	0
Sulfuric acid 66% commercial, tanks, ton.....	22.35	22.35	22.35	0
Tallow, inedible, fancy, tank cars, N.Y. lb.....	.058	.059	.074	-21.6
Titanium dioxide, anatase, reg. carlots, lb.....	.255	.255	.255	0
PAPER				
Book paper, A grade, Eng. finish, Untrimmed, carlots, cwt.....	17.75	17.75	17.20	+ 3.2
Bond paper, #1 sulfite, water marked 20 lb, car. lots, cwt.....	25.20	25.20	25.20	0
Chipboard, del. N.Y., carlots, ton.....	100.00	100.00	95.00	+ 5.3
Wrapping paper, std. Kraft, basis wt. 50 lb rolls.....	9.50	9.50	9.00	+ 5.6
Gummed sealing tape, #2, 60 lb basis, 600 ft. bundle.....	6.30	6.30	6.40	- 1.6
Old corrugated boxes, dealers, Chicago, ton.....	18.00	18.00	21.00	-14.3
BUILDING MATERIALS‡				
Cement, Portland, bulk carlots, fob New Orleans, bbl.....	3.65	3.65	3.65	0
Cement, Portland, bulk carlots, fob N.Y., bbl.....	4.18	4.18	4.25	- 1.6
Southern pine, 2x4, s4s, trucklots, fob N.Y., mftbm.....	124.00	124.00	132.00	- 6.1
Douglas fir, 2x4, s4s, carlots, fob Chicago, mftbm.....	137.00	137.00	143.00	- 4.2
Douglas fir, 2x4, s4s, carlots, fob Toronto, mftbm.....	102.00	102.00	118.00	-13.6
Fir plywood, 1/4" AD, 4x8, dealer crld, fob mill, msf.....	64.00	64.00	85.00	-24.7
TEXTILES				
Burlap, 10 oz. 40", N.Y., yd.....	.12	.121	.101	+18.8
Cotton middling, 1", N.Y., lb.....	.343	.342	.361	- 5.0
Printcloth, 39", 80x80, N.Y., spot, yd.....	.211	.211	.195	+ 8.2
Rayon twill, 40 1/2", 92x62, N.Y., yd.....	.235	.235	.255	- 7.8
Wool tops, N.Y., lb.....	1.415	1.41	1.625	-12.9
HIDES AND RUBBER				
Hides, cow, light native, packers, Chicago, lb.....	.205	.21	.285	-28.1
Rubber, #1 std ribbed smoked sheets, N.Y., lb.....	.46	.442	.346	+32.9

† Source: Petroleum Week ‡ Source: Engineering News-Record

This Week's

Price Perspective

JUNE 20-26

THE 1960 INVENTORY BUILDUP reflects a blurred picture.

Factory hard good stock trends have shown little consistency. While finished goods stocks have shown a disturbing tendency to rise, purchased materials have remained virtually unchanged since the beginning of the year.

On January 1, 1960, PA's had \$8.5-billion worth of "purchased materials" on hand for production and maintenance needs. On May 1, 1960—four months later—they still had \$8.5-billion on their shelves.

Earlier this year experts had placed the January-June accumulation in this category as high as 10%—or close to \$1-billion.

You can't shrug off the fact that this \$1-billion in demand has failed to materialize. **It's probably the major reason why sensitive raw material tags (see chart above) have remained virtually unchanged.**

METALS ARE PRIMARILY RESPONSIBLE for the relatively sluggish showing of the "purchased materials" category.

At the beginning of the year a huge jump was expected for two reasons:

- To fill strike-depleted stocks.
- To meet post-strike production needs.

Detailed figures again reveal this stocking up never took place—at least, not on any large scale. From January 1 to May 1 inventories of primary metal went up less than \$150-million. **That's pretty small potatoes compared to the accumulation—close to \$700-million—that took place in this category following the 1956 steel strike.**

FINISHED GOODS INVENTORY TRENDS tell a different story.

This is the area where most of the 1960 accumulation has taken place. Thus, over the first four months of 1960, hard goods holdings in this category soared from \$9.6-billion to \$10.9-billion—up a sharp 14%.

Part of this, of course, reflects the fact that suppliers are increasingly taking over the inventory function for their customers. This necessitates their holding larger finished goods stocks.

But that's not the whole story. A goodly part reflects less-than-expected pace of final consumption.

This is especially true in consumer fields like appliances. And it helps explain why price-cutting is now so prevalent in such areas.

SOFT GOOD STOCKS reveal a much more stable pattern.

Of course, there's nothing surprising in this. Inventories here are historically less volatile than their hard goods counterparts. Then, too, there was no wave of strikes last year to disrupt normal inventory-sales ratios.

But this relative stability can be deceiving. A look at individual industries indicates that some trouble spot already exist.

Take textiles. The American Cotton Manufacturers Institute notes that members' inventories have climbed from the equivalent of 3.1 weeks production (last September) to current level of 3.6 weeks.

This inventory problem is one of the reasons why textile men are a little concerned about late 1960 output and prices (see story, p. 3).

COST OF LIVING NOTE:

Are zig-zagging prices giving you a headache? If they are, then hold on to your hat—or maybe to your head. Now it's the cost of treating headaches that's going up. Aspirin producers are posting a 1¢/lb. boost for the analgesic.

There's just no rest for the weary in the Aspirin Age.

Textile Price Trends Weave Checkered Pattern

Industrial Fabrics' Demand Down; Other Areas Are Better

New York—Current uncertainty over textile price trends is muddying up the outlook for textile manufacturers.

• **Industrial textiles**—There has been a general price softening, especially in coated fabrics and scrim tags. Moreover, the situation doesn't look to improve till August—if then.

In addition, the 18% year-to-year drop in housing starts for 1960 has cut demand and weakened prices for upholstery fabrics and carpeting.

On the other hand, auto cloth prices have shown some firming on the heels of increased car production.

But even here optimism isn't wholehearted. That's because orders are being placed for "quickest possible delivery" rather than for extended inventories.

What's more the popularity of compact car has dampened this demand. First of all the compacts have lesser unit textile requirements; and secondly, they've cut into the standard car market, thus slowing down the textile demand in this area.

• **Print cloth.** Recent strength in demand for print cloth has perked prices up slightly. During "Market Week"—the first week in June when buyers and sellers in the fashion and retail end of the industry get together to establish fall lines—many firms reported business as excellent. And most mills are sold out through the third quarter and into the fourth.

But spring business has been slow in this sector due to poor weather. As a result inventories have been slowly accumulating in the supply lines from mills to retailer.

And prospective demand won't sustain current production levels, according to the pessimists, who look for a downturn in prices, production, and employment in the fourth quarter.

• **Synthetics.** This is the brightest spot in the textile picture. Demand is strong, mills are well sold ahead, and the inventory picture is quite satisfactory.

But while some prices have gone up through direct increases—DNC (dacron-nylon-cotton mix), for example, is reported at 7¢ to 8¢/yd. higher than 4 months ago—or upgrading in quality, the keen competition between domestic and imported synthetics, should keep a tight check rein on these tags.

At all events the textile cycle seems to have peaked out for both production and prices (see chart).

Production is at about last year's level (due mainly to declines in industrial textiles) without the prospective demand boost that lay ahead in 1959.

Manufacturers point to the low inventory levels that textile buyers are maintaining as the main reason for the present situation.

In the opinion of J. B. Ault, president of Burlington Industrial Fabrics Co., "You have to relate the demand for industrial fabrics to trends in the steel business. We look for a market pickup when industries start re-

building their low steel inventories."

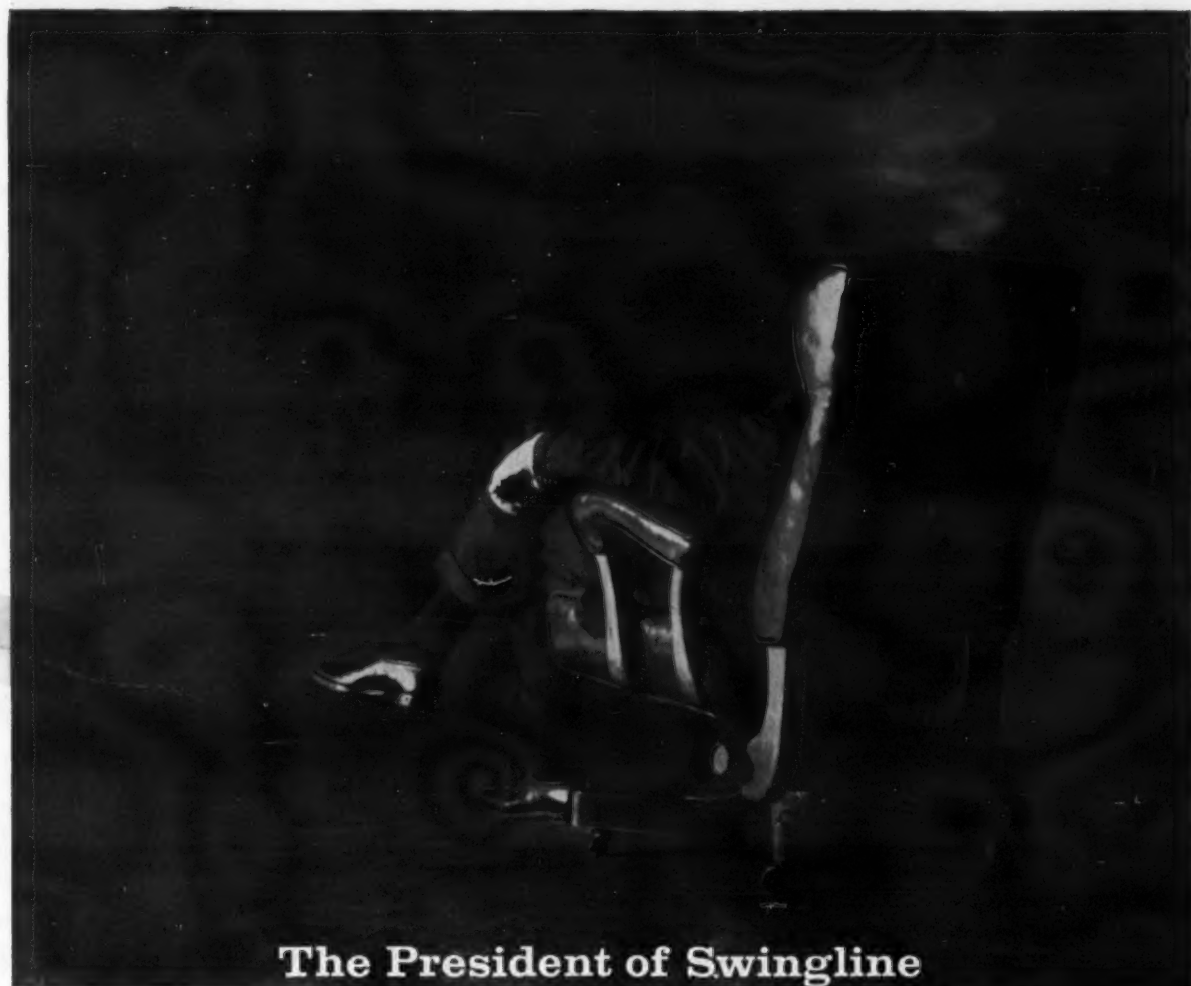
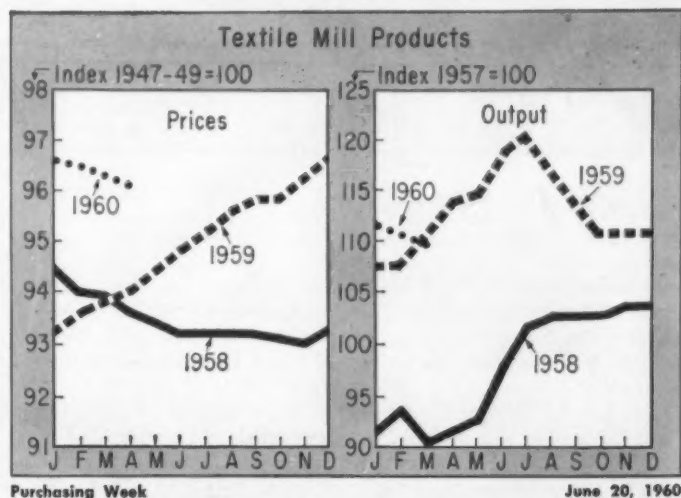
And T. Leibowitz, vice president of United Mills—a North Carolina-based producer, comments, "Our acute problem is that buyers who used to stock a 90 to 120-day inventory supply, are now keeping inventories at 30 to 60 days. This has forced us to inventory quality items that can't be turned out quickly, in order to meet competition for quick delivery."

The costs of increased inventory, he added, have been piled

onto increased labor (wages were increased in March), packaging, and materials costs.

Higher costs have resulted in a recent narrowing of profit margins. This in turn has caused a growing emphasis on production economies through plant modernization and waste elimination.

According to informed industry opinion, one of the results of greater stress on up-to-date machinery, industrial engineering, forecasting techniques, etc., will be a thinning out of the small producers who can't afford them.



The President of Swingline

Owes Purchasing Agents this Apology!

Our face is red—and deservedly so! There you are, each day busier than the last, bothered with every office request from a rubber file finger for Fanny in the file department to new cabinets for the president's outer office—and here we are, the world's largest manufacturer of staplers for home and office use—and we've never really given you the opportunity to try all the wonderful equipment we have to offer so that your job could be so much easier! Frankly, we're ashamed. In fact, we feel even worse when we stop to realize that we make a stapler for your every possible office need—even that special one you've been hunting through catalogues for. For example, we have that marvel of marvels, the completely automatic electric stapler that requires only a feather touch to turn out tons of fastening work. If you want a master desk stapler, our No. 4 holds 210 staples—loads in a breeze thanks to our exclusive open channel. The No. 3 is a shorter desk model...the No. 27 a rugged model that can be imprinted with your company name, too. Want versatility in action? Our No. 77S does a 4-in-1 job: staples, tacks, pins, fastens and stores

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Washington Perspective

JUNE 20-26

A major battle is ahead in the closing days of Congress over repeal of the 10% telephone, telegraph, and passenger transportation excise taxes.

Passage would mean a savings of some \$750-million to taxpayers and business.

The Senate Finance Committee voted almost two-to-one last week for repeal and the action is expected to be sustained by the Senate.

The matter then would go to a conference meeting with House tax writers. They have held the line all along against major tax changes, especially those that would slash revenues. But the House tax leaders might ease up if the Senate revolt is powerful.

Commodity outlook on the international front:

Oil—in Cuba, low-priced Russian crude may gain its first foothold in the Caribbean, long dominated by U. S. oil interests. That could be the upshot of Prime Minister Castro's apparent plans to take over two major U. S. refineries which refuse to process the Russian crude.

In Argentina, officials hint the Frondizi regime is out to woo new oil development capital from the U. S. and Western Europe.

Argentina is considering new contracts which will offer foreign oil companies more liberal payment, delivery, and drilling terms than it previously has granted.

Sugar—Castro's latest actions may spur new pressure in Congress to give the White House additional authority to cut Cuba's lucrative price-supported sugar export quota to the U. S.

In any case, the supported domestic price is an almost certain bet to be kept intact.

Coffee—Latin American and African coffee producers have signed a one-year extension of their pact curbing production and exports. The new agreement holds deliveries, and probably prices as well, at current levels.

The movement could spread; get the backing of British and Belgian colonies and ex-colonies in Africa later this summer. So far, only the French and Dutch territories have signed.

Employment increased and unemployment decreased for May—but only what could be expected seasonally for this time of the year.

The percentage of people out of work fell slightly to 4.9%, still a rather uncomfortable level. Of more significance, employment in manufacturing lines dropped by 69,000.

Officials at the Bureau of Labor Statistics say that the employment outlook for the rest of the year is cloudy. But there is likely to be a further improvement, they say. (See more detailed story of employment outlook on this page.)

Two major railroad merger moves last week heightened a growing struggle for rail supremacy and markets in the East.

The Chesapeake & Ohio applied to the ICC for permission to consolidate with the Baltimore & Ohio to make the second largest rail combine in the nation. Directors of the Nickel Plate RR asked for a marriage with the Norfolk & Western (the latter already has merged with the Virginian), and sparked reports that this was only a preliminary to an eventual giant combine with the Pennsylvania, biggest line in the country.

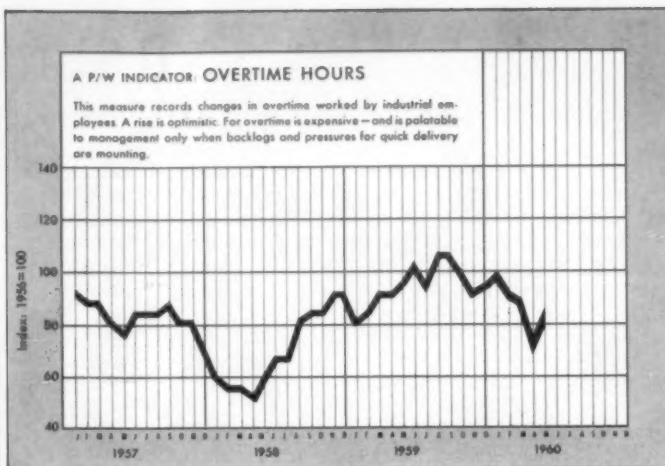
Watching these moves uneasily, from the sidelines is the New York Central. And to head them off, Central appealed to the ICC to call a moratorium on all rail mergers until the Commission can study and lay down some merger groundrules.

The NYC's move was viewed as a delaying action to give it time to try to negotiate a spot in the C&O-B&O merger.

Weekly Production Records

	Latest Week	Week Ago	Year Ago
Steel ingot, thous tons	1,775	1,756*	2,620
Autos, units	141,838	115,068*	127,029
Trucks, units	24,085	22,288*	27,925
Crude runs, thous bbl, daily aver	7,836	7,961	8,020
Distillate fuel oil, thous bbl	12,443	12,245	12,287
Residual fuel oil, thous bbl	5,749	6,229	6,605
Gasoline, thous bbl	28,939	28,943	28,667
Petroleum refineries operating rate, %	80.2	81.5	82.9
Container board, tons	168,199	147,581	170,389
Boxboard, tons	102,387	91,529	100,656
Paper operating rate, %	96.8	97.3*	94.2
Lumber, thous of board ft	216,708	234,749	256,727
Bituminous coal, daily aver thous tons	1,456	1,407*	1,417
Electric power, million kilowatt hours	13,766	13,134	13,503
Eng const awards, mil \$ Eng News-Rec	583.2	482.0	546.1

*Revised



Index of Overtime Hours in Manufacturing

	Latest Month*	Month Ago	Year Ago	% Yrly Change
Total	85.7	75.0	96.4	-11.1
Hard Goods	76.7	70.0	93.3	-17.8
Ordnance & Accessories	58.6	69.0	65.5	-10.5
Lumber & Wood	90.9	84.8	99.9	-9.0
Furniture & Fixtures	85.7	85.7	82.1	+4.4
Stone, Clay & Glass	77.8	75.0	97.2	-19.6
Primary Metals	60.7	75.0	96.4	-37.0
Fabricated Metal Products	70.0	83.3	90.0	-22.2
Non Electrical Machinery	64.9	75.7	78.4	-17.2
Electrical Machinery	46.2	73.1	69.2	-33.2
Transportation Equipment	72.4	96.5	89.7	-19.3
Instruments	73.9	100.0	87.0	-15.1
Soft Goods	100.0	88.0	104.0	-3.8
Food	84.8	87.9	84.8	0
Tobacco	72.7	45.5	63.6	+14.3
Textile Mill Products	96.2	115.4	115.4	-16.6
Apparel	83.3	116.7	115.7	-28.0
Paper	80.4	89.1	95.7	-16.0
Printing & Publishing	78.1	93.8	87.5	-10.7
Chemicals	130.4	100.0	117.4	+11.1
Petroleum & Coal Products	85.0	70.0	90.0	-5.6
Rubber Products	50.0	83.0	132.1	-62.1
Leather & Products	57.1	100.0	98.6	-42.1

* May is the month for totals and major subtotals. April is the month for individual industry figures.

Soaring Sales of Metal Cans Push Tin Plate Output to Near Capacity

(Continued from page 1) November. The first wage hike was followed by a 1.5% price rise last Jan. 15.

"When we raised prices in January," said a Continental Can official, "we told customers there would be no further increase this year, unless the price of steel is raised."

A spokesman for Canco, which issued virtually the same statement, last January, said, "This remains our position. We are not going to boost prices this year unless steel goes up."

But other top-level industry sources insisted, "We won't be able to absorb the cost of a wage hike in October, any more than we could in January."

"Even if rumors of a steel price rise are false," one can company official told PURCHASING WEEK, "we'll still have to pass the 1.5% wage boost along to consumers—if not in October or November, certainly after the first of the year."

A 1.3% to 1.5% hike in can tags would mean a 40¢ to 46¢ price boost in standard tin cans (303 x 406), now selling at \$30.-824/1,000 units. Twelve-ounce beer cans would go up from 45¢ to 52¢ above the current selling price of \$34.918/1,000 units.

Can makers, elated over the near record orders being chalked up for summer months, report they are now taking orders for August and September, with July a virtual "sell-out."

"Second quarter sales were hurt by bad weather which natu-

rally affected harvests," explained one mill official. "We're counting on a hot summer, better than average harvests, and consumer inventory build-ups to give us a better than average third quarter."

Higher Pay, Job Security Top Contract Demands Of Electrical Workers Union

(Continued from page 1) supplementary unemployment benefits, a flat 25¢ pay hike for skilled workers and a no-contracting out clause.

The sub and no-contracting out demands are directly related to job security. The former would provide benefits up to 65% of take home pay to laid off workers. The latter would bar the company from giving work to outside contractors at plants where some of the AFL-CIO union members are temporarily laid off. Current electrical industry contracts do not contain such provisions.

Carey, whose IUE represents the biggest number of electrical industry employees, revealed the union demands at a unique closed-circuit television press conference, running between his union's Washington headquarters and nine cities where GE and Westinghouse electrical plants are located.

Carey has asked GE to begin negotiations prior to the scheduled opening on August 15, and had advised the company of the

Solid Increase In Job Prospects Appears in Sight

New York—The nation's job picture is beginning to look up. While most of the May improvement in employment and unemployment totals is "seasonal", three other factors indicate a more solid improvement may be in the works.

• **Overtime**—A 14% rise in PW's sensitive indicator—after April's decline—could mean production schedules are poised for a rise.

• **Long-term joblessness**—The greater than normal decline in the number of people out of work for 15 weeks or more is significant. It indicates that people who need jobs most are getting them.

• **Pay**—Average weekly factory earnings rose 91¢ in May to \$90.70. That means another rise in over-all worker purchasing power.

The overtime improvement can be seen from the chart (above, left). The PW index of overtime hours worked shows its first rise in four months.

While encouraging, it still leaves current level 11% below year ago. In hard goods, the year-to-year gap is even greater—about 18%.

But the latter figure is a bit distorted. For last May overtime hours were inflated by heavy production schedules put into operation to beat the steel strike.

An industry-by-industry account of how overtime compares to month-ago and year-ago levels is presented in the accompanying table.

The over-all employment and unemployment figures for May present more of a neutral picture. For they only represent normal seasonal pickup—not any sharp change in the employment outlook.

Take unemployment. The 200,000 decline in joblessness during May is just about par for the month. It still leaves the seasonally adjusted jobless figure at 4.9% of the labor force—virtually unchanged from April and year-ago levels.

Much the same pattern is evident in employment. True, the total number of workers rose by 1-million to 67.2-million. But the boost reflects seasonal increases in the farming, construction, lumber, and food processing industries. That's in direct contrast to declines in key hard goods areas such as steel and machinery.

May figures, for example, show primary metal employment (mostly steel) down 32,000 from April. In machinery, employment shows a 26,600 drop over the same period.

One hard goods area that's standing up well is automobiles. Employment has been maintained at a relatively high rate through 1960.

union demands two days before the TV conference.

Besides the IUE, the other AFL-CIO unions coordinating their electrical bargaining for the 1960 negotiations are the Machinists, Auto Workers, United Steelworkers, International Brotherhood of Electrical Workers, and the Technical Engineers.

U. S. Steel Calls Halt on Price Cuts for Drums

Pittsburgh—U.S. Steel Corp., which led the recent march toward lower prices for heavy gage steel drums, says no further cuts are in store despite continued stiff competition.

U.S. Steel reduced prices 25¢ to 50¢ on 55 gal. drums late last month in a move to "compete more favorably with other drum producers, both big and small." The price cuts were matched immediately by other firms including Republic Steel Corp., Jones & Laughlin Steel Corp., Rheem Manufacturing Co., and Inland Steel Co.

Continuing rise of supply and labor costs make further reductions unwise, according to U.S. Steel Production Div.

The leading steel drum makers said that despite the price reductions, they still face tough going resulting from:

• **Reconditioned drums.** Always going at a lower price, these containers have had a "straw on the camel's back" effect over the last eight years.

• **Fiber drums.** Although not a direct competitor of the strictly heavy gage manufacturers, fibers

have made strong inroads into the field, according to U.S. Steel.

• **Imports.** Importing empty drums is not profitable and of little importance to the U.S. companies, but steel imported for production of drums in this country gained noticeably during the steel strike and the lag is now being felt, according to Republic Steel.

Containers included in the price cut were 16 gage, 18 gage, and 18.20 gage 55 gal. shipping drums, but light gage galvanized models remained unchanged.

Supreme Court Refuses to Spell Out When Gifts Must Be Listed as Income

Washington—The Supreme Court refused last week to set a standard for defining differences between tax-free gifts and taxable income.

In majority opinions on three different, but related, cases, the high tribunal declared such differences must be determined on a local-court level and upon the merits of individual cases under consideration.

"If there is fear of undue certainty or overmuch litigation,"

Justice Brennan stated in the majority opinion, "Congress may make more precise its treatment of the matter by singling out certain factors and making them determinative of the matter."

In throwing the ball back to Congress, the Court rejected "forthwith" a government "invitation" to rule that "gifts should be defined as transfers of property made for personal as distinguished from business reasons."

French Firm Sets Plans to Invade U. S. Glass Market

Kingsport, Tenn.—France's leading glass maker is trying to crack the American plate glass market.

American St. Gobain, U.S. subsidiary of Societe Anonyme des Manufactures des Glaces et Produits Chimiques de Saint-Gobain, of Paris, has announced plans to build a \$50-million plant here. The new plant, scheduled for completion in 1962, will have an annual capacity of 40-million sq. ft. of quarter-inch plate glass.

For St. Gobain, completion of the plant will mark the end of over two years' planning which started when the French firm, already the owner of a controlling interest in American Window Glass Co., also took over Ridge Glass Corp., of Kingsport.

This allowed St. Gobain to bid for a share of the American Plate Glass market, now dominated by Pittsburgh Plate Glass Co. and Libby-Owens-Ford Glass Co., which St. Gobain estimates produce 95% of current plate glass.

The new St. Gobain factory here will be equipped with a large glass-melting furnace with a daily capacity of 330 tons. A twin-grinder and polishing line will produce a continuous ribbon of glass 120 inches wide.

Texaco Maps \$7.5-Million Research Center Project

Port Arthur, Tex.—Texaco Inc. will build a new \$7.5-million petroleum research center here adjacent to the company's largest domestic refinery.

The new center, expected to be completed in five years, will give Texaco its second major research facility in the U.S. Occupying more than 35 acres, the facility will consist of 15 laboratory and office buildings, 6 pilot-laboratory bays, service buildings, and storage facilities.

Seaway Traffic Booms

Montreal—The St. Lawrence Seaway, which opened to traffic this year only a few days earlier than in 1959, has reported "spectacular" gains over last year.

The latest Seaway report, for the month of April, shows that movement up the Seaway from Montreal shot up a whopping 132%, while traffic to Montreal increased 45%. Welland Canal up-traffic rose 40% and down-traffic increased 45%.



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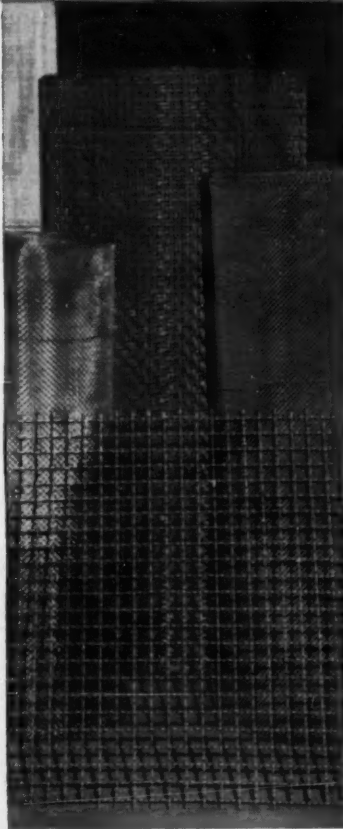
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Knock-Down Returnable Containers Cut Packaging Time, Transit Damage

Renton, Wash.—Boeing Airplane Co. has switched to returnable containers and reusable dunnage to haul sink and counter assemblies for 707 jet transports at a saving of \$150,000.

Previously, each assembly had been packaged by the manufacturer in one-way containers using padded wood blocks to secure the contents.

The old system, however, proved expensive because of in-transit damage and labor-time involved in actual packaging and removal of the assemblies from their boxes.

In addition, the assemblies had to be removed from the containers for inspection, then replaced for shipment to one of five rework areas. Container strength and block efficiency was often reduced as much as 75% in the re-railing after inspection.

THE SOLUTION

Boeing solved the problem, with 750 assemblies still to be delivered, by designing a knock-down returnable container with an estimated reusable life of five trips.

This container employs foam as the internal dunnage, urethane foam blocks being glued to the inside lid and styrofoam plastic being made into bases.

The bases, 4-in. thick, were slotted 2-in deep to accept seven different assemblies. On some models, a vertical block was required to add additional support in holding the part in a vertical position once the container was removed.

The new method supports the assembly in a vertical position at all times, in or out of the container. One standard-size container serves as a storage unit which can be stacked until needed and can be opened repeatedly without damage to the container.

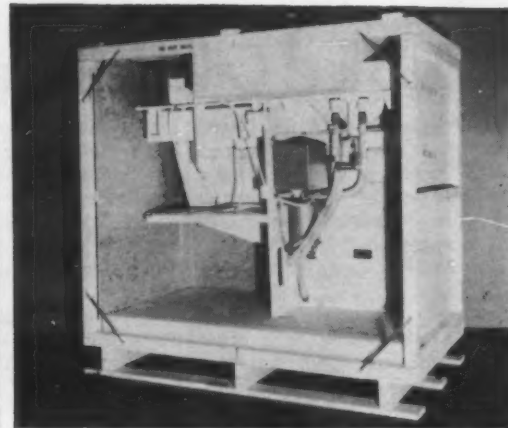
A locking spindle device is used to remove top, sides and ends, no nails being employed. With the part installed in the re-

turnable container, there is no actual contact with the container itself. The part is seated in the styrofoam slotted base.

When the lid is installed, the urethane foam blocks compress around the top surface of the part, holding it in place during shipment and thus preventing the part from hitting the container at any time. This gives complete protection to vulnerable edges around the perimeter of the part which are prone to damage.



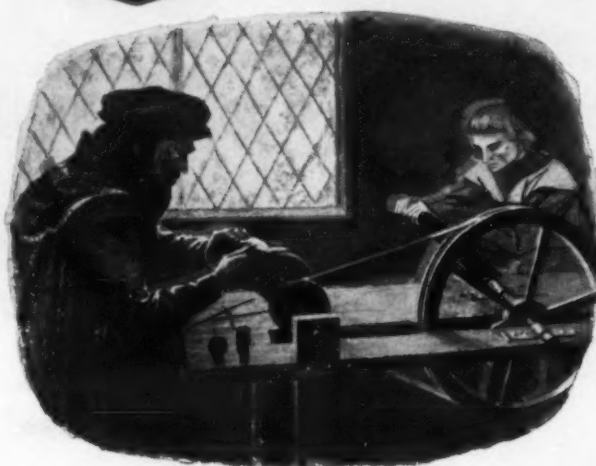
BOEING AIRPLANE CO. formerly received sink and counter assemblies in nailed containers such as this.



RETURNABLE CONTAINERS now used have foam blocks to protect shipment, spindle for easy opening.



EVOLUTION OF



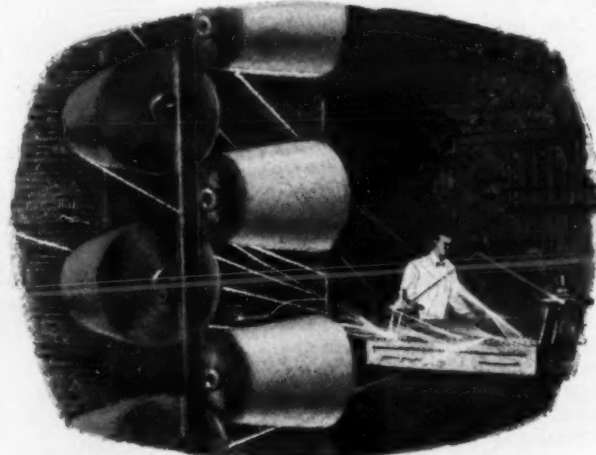
IT ALL STARTED when Leonardo da Vinci invented the belt drive for his polishing wheel. Spurred on by the drive's many advantages, engineers have striven for a more effective method of indirect power transmission ever since.



THE NEXT MAJOR DEVELOPMENT, although then seemingly unrelated, was the discovery of the vulcanization of rubber in 1839. Charles Goodyear not only fathered a multibillion-dollar industry, but also helped pave the way to much more efficient power transmission.



ANOTHER MAJOR BREAKTHROUGH came in 1941, when Goodyear introduced the first practical Steel Cable V-Belt for use on Army tanks. Here was the strongest, most efficient, most heat- and stretch-resistant belt ever built. A wartime success, steel cable is used in belts handling today's toughest industrial drives.



THEN CAME THE "MIRACLE" FIBERS and super-rated V-belts. Again Goodyear was in the fore with the HY-T V-Belt—a strong, shock-resistant belt that answered most multiple drive problems. But V-belt makers still sought a more effective way to overcome stretch and shrinkage.

For maximum, trouble-free horsepower hours on any V-belt drive, insist on the top belt from the top beltmaker.

Lots of good things
come from

GOOD

Albany Aims For Deep Water Port Shipping Business

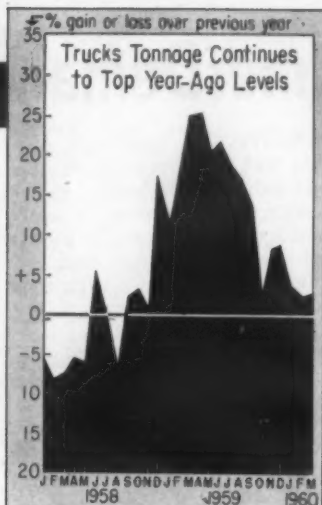
Albany N.Y.—Albany has taken first steps toward becoming a competitive deep water port in a move aimed at taking 1.5-million tons of cargo away from other East Coast ports.

Bids have been opened on a \$2-million project which will deepen 3.5 miles of Hudson River channel to 32 ft. and provide a new basin where fully loaded ships can turn easily and head seaward.

At present because of the 27-ft. channel, ships carrying grain, molasses and petroleum cannot carry full loads in or out of Albany.

Capt. Frank Dunham, Jr. general manager of the port commission expects the new facilities to increase tonnage by 20% or more than 1.5-million tons, when construction is completed early next year.

The Port of Albany currently handles about 8-million tons of cargo annually.



P/W TRANSPORTATION MEMOS

TWINS FOR THE PENNSY: The Pennsylvania Railroad has created twin bureaus—one named TIC and one named TOC—to help freight customers.

The bureaus are described by the Pennsy as "a super-service car locating project and a new means of assuring on-time delivery of rush shipments."

The "twins"—TIC (Transportation Information Service) and TOC (Transportation Operations Center)—are based in Philadelphia. They operate day and night, following a specific car or groups of cars, making certain of delivery on time. The centers are able to answer customer queries quickly and completely, says the Pennsy.

"We refer to the new centers as TIC and TOC," an official of the railroad explained, "because of their initials and because they symbolize the clock-like precision we have as a goal for

the important place these forward-looking projects have in our customer service program."

STILL GROWING: The nation's largest motor common carrier, Consolidated Freightways of Menlo Park, Calif., is still rolling along in high gear. The line just placed orders for \$4.4-million in new highway equipment as part of a planned \$21-million equipment modernization program for 1960.

The new purchases include 778 highway trailers, 77 diesel-powered Transcold refrigeration units, 17 "converter dollies" used to assemble double-trailer combinations, and 5 heavy-duty Freightliner highway tractors. The new trailers will have increased payload capacity.

Consolidated Freightways recently acquired two carriers which extended its operations from coast-to-coast.

THE HAY CASE: In about six weeks, ICC Examiner Hyman J. Blond will issue his recommended report on the proposed purchase of the John I. Hay Co. barge line by the Illinois Central and Southern Pacific Railroads.

The lengthy and sometimes bitter hearings on the proposal, which began in Washington early in March and finally concluded in St. Louis June 2, saw water carriers and airlines lined up solidly in opposition to the sale—joined by many private shippers who fear the railroads "getting too big a chunk of the pie."

Inland barge lines made it clear that they believe the whole future of their industry rests on whether the railroad invasion of their business will be permitted by the commission.

Many transportation officials feel the Hay Case could well decide a new transportation policy—which up to now has been to maintain independent ownership of competing modes of transport.

RECIPROCAL TRUCKING: The Canadian provinces of Alberta and Manitoba have signed full reciprocal truck licensing agreements with the state of Wisconsin. The agreements, which go into effect July 1, provide for free use of Wisconsin roads by Alberta and Manitoba trucks and free use of roads in the two provinces by Wisconsin trucks.

LONG-HAUL BARGES: Substantially lower shipping costs are being predicted when barge service between West Coast ports and Honolulu gets underway in about a month.

A recent pilot run "confirmed that bulk cargoes can be moved efficiently and economically on barges," according to John L. Bullock, president of Pacific Inland Navigation Co. which made the test.

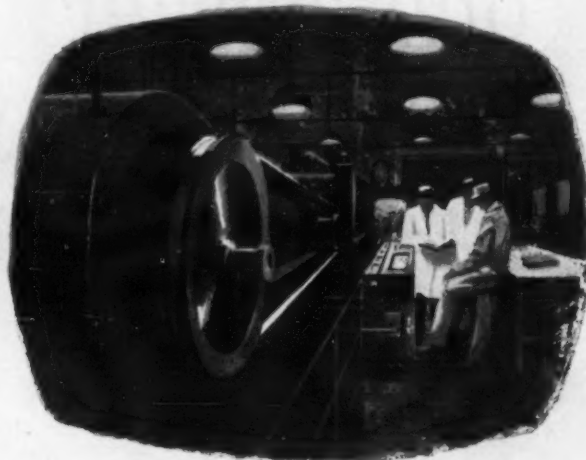
The pilot shipment saw the transportation of 24,000 barrels of petroleum products and 285 lengths of 40"x30" pipe from Long Beach, Calif. to Honolulu in 15 days on a huge dry-cargo barge.

WHISTLESTOPS: An ICC examiner recently endorsed a unique application of Plan III piggyback (shipper-owned or leased trailers) involving reduced rates on round-trip movements between points in the Midwest. This idea now might spread. . . . Sen. Magnuson has introduced a bill (S. 3389) which would provide for recovery of reparations or damages arising from the application of unreasonable rates on past motor carrier and forwarder shipments.

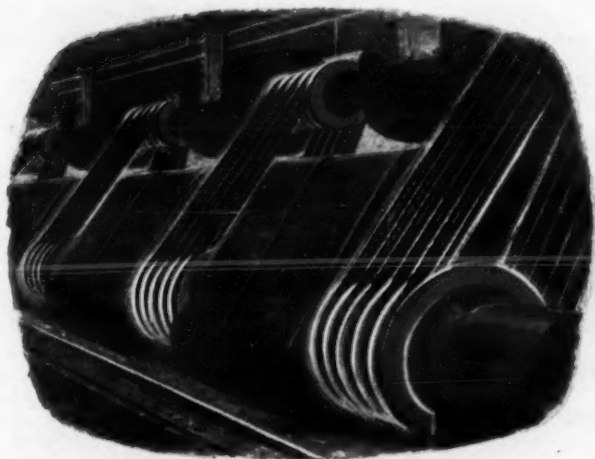
A REVOLUTION



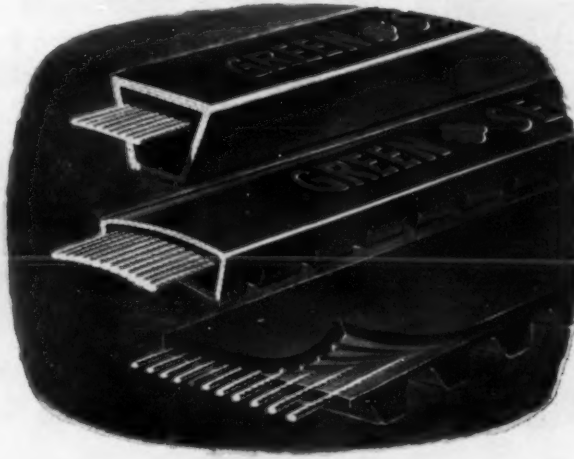
OVER A DECADE PASSED BEFORE a man named Combe introduced two new ideas in the transmission of power—teams of load-carriers and "wedge-in" action. His first multiple rope drive was not very efficient or durable, but started a whole new trend in development.



IT TOOK A LITTLE TIME before the first rubberized V-belts were introduced. Many of the earliest improvements were developed by Goodyear scientists. The greater efficiency of the V-belt soon placed it on many drives, despite shortcomings in length stability and strength.



GOODYEAR SOLVED THE PROBLEM with the 3-T Process to take surplus shrinkage and stretch out of synthetic cord. That development made possible multiple drive V-belts with true dimensional stability—Green Seal V-Belts by Goodyear that stayed matched on the drive or in storage.



A REVOLUTION IN POWER TRANSMISSION was launched by the complete line of V-belts with the Green Seal—Compass—V-Steel, HY-T, E-C Cord, and the compact new HY-T WEDGE. With P.D. (positive drive) and Variable Speed Belts, they combine to offer Goodyear belts of unsurpassed quality for every need.

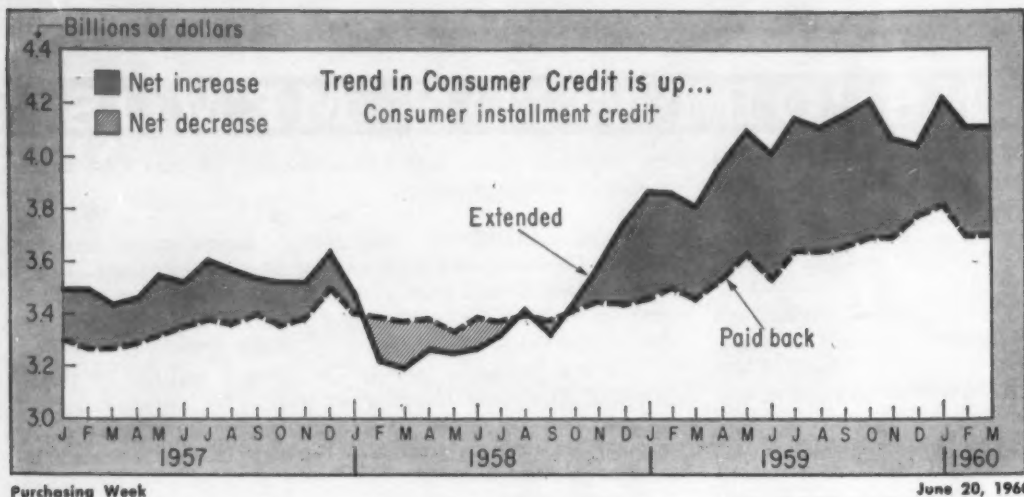
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Buoyant Consumer Demand

New York—Production schedules for consumer goods will hold up pretty well in the second half—if the latest trend in consumer credit are any indication.

The latest borrowing information shows:

- The public is borrowing at or near record levels.

- While repayment of debt is taking a rather deep bite out of current income, the payoff percentage has held fairly constant since 1957, and there seems little immediate danger of over-borrowing.

- Surveys on consumer attitudes, and the popularity of new credit gimmicks, indicate a growing tendency to borrow.

Recent developments in installment credit show that both the public and financial institutions believe in the economy's ability to sustain a high level.

- April registered the biggest monthly expansion in installment credit (a \$533-million increase over March) since last August.

- The gap between extensions of credit and repayments—which showed signs of narrowing in October—is widening again (see chart at left). Total consumer credit outstanding for April surpassed the \$52-billion record set last December.

These figures mean that the public is confident they'll have the ability to pay back a bigger debt load—and that the lenders share this optimism.

A glance at the left-hand chart shows what happens when the future doesn't appear so good. Throughout most of recession-haunted 1958, repayment of debt exceeded new credit extensions. It wasn't until October that enough confidence was built up definitely to reverse the situation.

CREDIT BREAKDOWN

A breakdown of the installment credit pattern reveals some interesting changes from the consumer spending choices of 1959.

- **Auto buying up.** The percentage of total installment credit going for automobile purchases amounts to almost 43% (see chart at right). In 1959 this category claimed 42% of installment loans to consumers.

This small increase in automobile purchasing is significant, however, for these two reasons:

- (1) The percentage spent for automobiles is running higher than at any time since 1957. And, since the total amount of installment credit has been increasing steadily, the absolute amount of credit slated for car buying is more than ever before.

- (2) As a result of increased compact car sales, the average credit contract is slightly smaller than in 1959. This means that it takes more car purchases to reach—let alone exceed—last year's level.

- **Other consumer durables down.** Credit extended on other consumer durables—appliances, TV sets, etc.—is running at slightly less than 25%. This is more than one percentage point lower than the proportion spent on these items in 1959.

And the absolute dollar amount of credit going for other consumer durables is also somewhat less than at the close of last year. This may explain why appliance manufacturers are hurting right now from price competition and mounting inventories.

But an upturn for these durables appears in the making. April saw this borrowing category go up to the highest levels since January, and the steady slippage since last December's record level seems to have been halted.

- **Noninstallment credit high.** Strong demand for soft goods and services is also evidenced by the fact that, in addition to installment credit, other consumer borrowing—represented by single-payment loans, charge ac-



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HIGHWAY

Bolsters Economic Outlook

counts, and service credit—is booming.

PROSPECTS

Buoyant consumer demand looks to vitalize the economy for several months ahead.

Personal incomes are at record levels and still rising, and all surveys show consumer bullishness hasn't yet reached its peak.

In its June "Monthly Review" the New York Federal Reserve Bank reports that the National Industrial Conference Board's continuing survey of consumer buying plans indicates "the prospect that economic activity may be spurred by a further pick-up in consumer demand."

And the last University of Michigan survey of consumer attitudes includes significant data showing that the public is ever more willing to borrow.

At the end of 1959, for example, 60% of all families queried thought installment buying was a good idea—compared to 1954 when 50% felt that way.

ECONOMIC SIGNIFICANCE

Since the growth of consumer credit means that the public is using future income to buy today's goods, it can't help but buoy up the economy as a whole.

The importance of consumer borrowing as an economic support is illustrated by the fact that the traditional indicator of business activity—the Federal Reserve Board's Index of Industrial Production—tends to follow the fluctuations in consumer credit by about eight months.

These credit fluctuations are revealed by the ratio of consumer credit extended to consumer credit repaid—a ratio that indicates net changes in consumer credit outstanding.

This ratio, which has been going up since December, was boosted sharply in April. And indications point to repetition of last year's vigorous installment buying surge of late spring, summer, and early fall.

If traditional relationships hold, and industrial activity peaks some eight months after the consumer credit extensions to repayments ratio, we can look forward to a long stretch of sustained prosperity.

HOW HIGH CAN IT GO

The percentage of income that is going for repayment of consumer debt—incurred in the past—is worrying many economic observers.

As the chart at the right shows, repayments have taken an increasing bite out of current income. In 1950 it was less than 9%; as of April, 1960, it was running at 13.4%.

How much of personal income can be used to pay off previous debts—and enough still be left over to provide effective demand for a prosperous economy—is a moot question.

But as far as the present goes there are a couple factors that seem to indicate that we haven't reached a danger point yet.

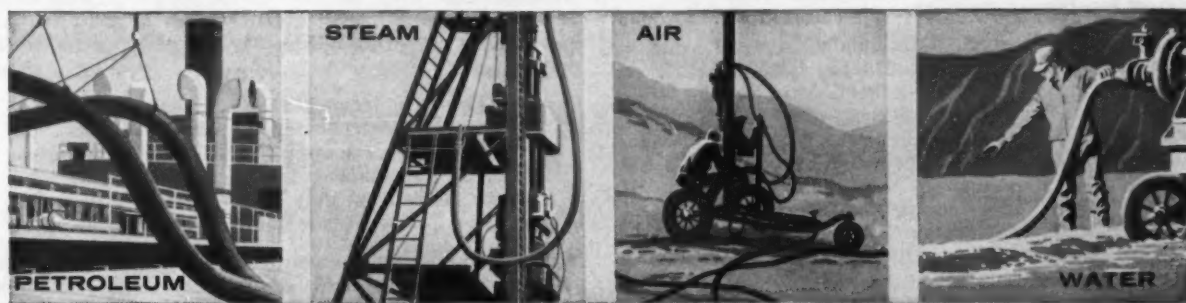
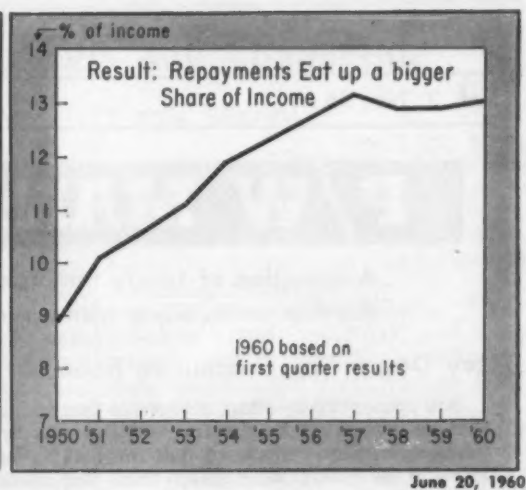
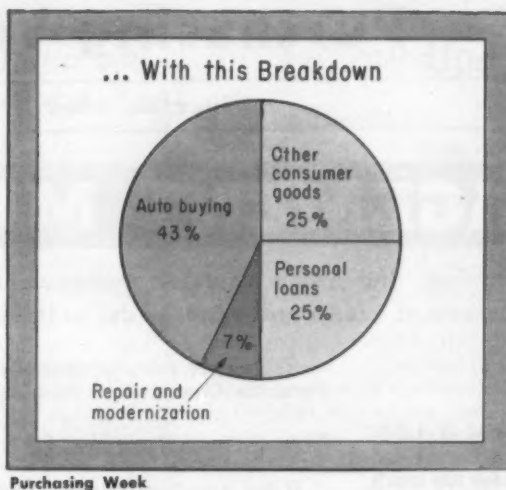
• **Stability of repayment percentage.** While repayments have been increasing in dollar amount, so has personal income, and since 1957 the percentage of income that has gone to repay debts has hovered around 13%.

• **Continuing rise of personal**

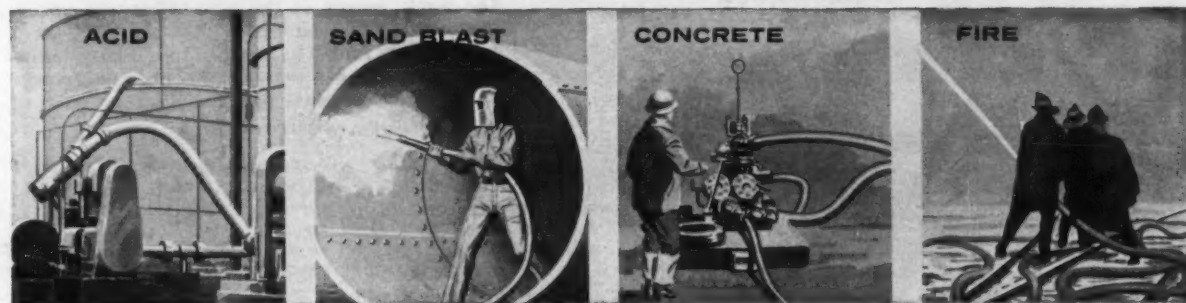
income. So long as personal income continues to rise, credit extensions can rise proportionately without any bad effect.

For example, the debt consumers incurred last year—amounting to 14.5% of 1959 income—is being repaid with only 13.4% of today's higher income.

Nevertheless, there is danger that new consumer credit extended will reach a level that can put a strain on income at repayment time—and thus dampen demand for goods at some future date.



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P/W MANAGEMENT MEMOS

A collection of timely tips, quotations, and inside slants on management and industrial developments, along with a run down of events and trends of use to the purchasing agent.

Ivy Day in the Committee Room

Are committee meetings a waste of time?

A recent survey by the Harvard Business School of 1,200 business managers disclosed that some 41% (in all areas and levels of the management group) think they spend far too much time at these confabs.

However only 8% would abolish them. The overwhelming majority of executives approve of committee meetings on the grounds that they provide an excellent forum for exchange of ideas and information as well as an opportunity to coordinate management functions.

Of all the firms surveyed, 80% indulge in some form of committee activity or another—and about 93% of all large firms (1,000 employees or over) use them. Most popular function is to coordinate general management (30% use them for that), with special groups such as control, production, marketing, and labor relations each mentioned by about 10% of the respondents.

Some 40% of the "upper middle management group" (this includes purchasing) feel that the net result of committees is buck-passing and compromise. However, only 22% of top management feels this way.

Some of the respondents volunteered these tips on how to improve the "Committee Process":

- Sharply define the purpose of each committee.
- Choose a strong chairman—one who can keep the discussion from wandering off the track.
- Choose your members for the skills and information they can contribute, also keeping in mind the degree of their responsibility.
- Keep it small. Most respondents think that seven men are enough for any job.

One executive even advanced the idea that a "committee on committees" should be formed to ride herd on the rest. This notion may not be as funny as it sounds. This super-committee, he points out, would define each committee's goals, lay down rules for effective performance, and come up with yardsticks to measure each committee's effectiveness.

Buyer's Guide

The fair trade provisions of the Robinson-Patman Act affect buyers as well as sellers, so be on your guard against purchasing practices that could be considered in restraint of trade. The Federal Trade Commission has prepared a 16-page booklet that explains what some of your responsibilities are, and gives

some general rules of thumb that you can use as a guide. Write the Commission, Washington 25, D. C. for a free copy.

The Green Benches of St. Petersburg

If the American economy continues to expand at its present rate, fewer oldsters are going to have to idle away their declining years on the green benches of St. Petersburg. That's because of the tremendous changes taking place in the American workforce, says the U.S. Dept. of Labor, which projects an actual decline of 400,000 in the highly productive 35-44 year age group by 1970. Thus industry is going to have to make better use of its oldsters, warns the government statisticians—or it's going to be faced with a critical labor shortage.

"These changes will require a major overhaul in the employment policies of many businesses," according to Secretary of Labor Mitchell. "Employers who do not abandon policies against workers because of their age may have real trouble in finding workers in the decade ahead."

Some corporations already are revising their retirement policies along these lines. Consolidated Edison, for example, has just completed a two-year experiment aimed at extending the working period from 65 to 68. To date, two-thirds of the male employees reaching 65 have proven fit enough to continue on and 35% of those eligible chose to stay on the job.

The work record of the post-retirement group, says Con Ed, is much better than average—as is its absenteeism rate. The absence rate for the entire group is 2.5 days per year, compared to an average of 7.2 days for all male workers. Sixty per cent of the group had no absences at all.

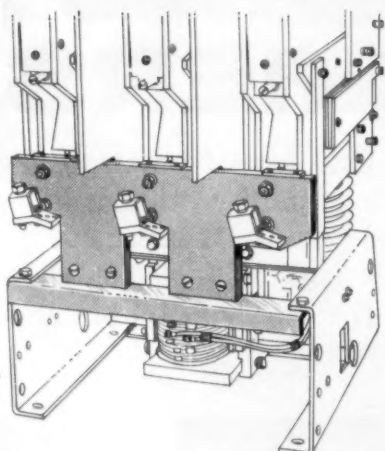
One result of the new industry attitude towards overage workers, according to a pension consultant, is that the number of workers faced with mandatory retirement at 65 has declined to 42% from 66% ten years ago.

There's another aspect to the later retirement trend—the decline in pension costs. Extending the retirement age reduces the number of years that a worker will draw his pension. As a result of its new retirement program, Con Ed has been able to cut its pension contributions by 5%, the company says.

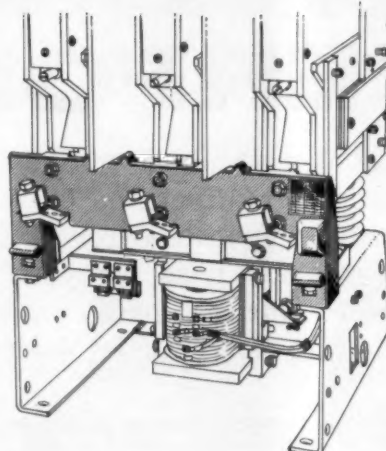
Short Pointer

The scrap dealers of the nation have scrapped their old name—Waste Material Dealers—for a more resounding title—National Association of Secondary Material Industries.

WHAT VALUE ANALYSIS CAN DO FOR YOU



BEFORE ANALYSIS: High-voltage starter front support fabricated from 1 in. glass polyester laminate and mounted on steel brace.



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Source: Glastic Corp., Cleveland, Ohio

TECHNIQUE:

Mold part to final shape.

SAVINGS:

Cost reduced 50%
(\$11 to \$5.55)

Purchasing Week



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PURCHASING WEEK Asks . . .

How do you diminish crossing or overlapping in traffic and purchasing? For example, who should route incoming orders?

Question asked by: J. L. Walker, Director of Purchases, Paper Manufacturers Co., Philadelphia



H. M. Stockton, purchasing agent, Dallas Power & Light Co., Dallas:

"The selection of a competent traffic manager and assigning him full responsibility for all matters pertaining to transportation will go a long way toward eliminating any crossing or overlapping of authority between traffic and purchasing. Your traffic manager, whether in or out of the purchasing department, is a buyer of a specialized service that is complex and ever changing. Purchasing must cooperate closely with traffic for the cost of transportation is a major item in the delivered cost of many materials and supplies. Purchasing department buyers must be informed

on problems of traffic. Occasional meetings should be held wherein representatives of both departments discuss openly and frankly their mutual problems. All buyers must understand that the final determination of the type of transportation, whether by air, truck, rail, water, etc., and the routing of the shipment, is the traffic department's responsibility."



Burton Weymier, purchasing agent, Laukhuff-Pratt Mfg. Corp. (cutters & shears, levers, etc.), Milwaukee:

"I believe routing of urgent incoming orders is a very essential part of purchasing's duties. In our special machinery business we work very closely with the engineering department, and in some instances there cannot be any delay in expediting delivery. This is a case where the purchasing department knows the urgency and should waste no time in making definite routing instructions. When regular or stock orders are placed, we leave it up to our suppliers to use their discretion in routing of material."



Larry Payne, purchasing agent, Blanchat Machine Co. (gears, screw machine parts, etc.), Wichita, Kan.:

"Outgoing traffic is our shipping department's responsibility. All incoming traffic is routed by purchasing. The receiving department reports to purchasing periodically with an analysis of incoming shipments as to carrier, service, time in transit, etc. The P.A. and traffic manager review the incoming freight statistics and make routing or carrier changes when it appears a savings in transit time or money can be accomplished. This system affords a clear responsibility between incoming and outgoing traffic and coordinates purchasing and traffic."



A. K. Tobin, manager, purchasing division, Dole Hawaiian Pineapple Co., Honolulu:

"We have no problem in this area as all traffic matters relating to commodities for Hawaiian consumption or use are under the jurisdiction of the purchasing division in Honolulu. All orders placed on the mainland by our San Francisco purchasing office originate from Honolulu purchase requisitions. Such requisitions incorporate delivery schedule requirements and the San Francisco office makes the decision as to the carrier and the routing."



B. F. Caldwell, purchasing agent, Huntington Alloy Products Div., International Nickel Co., Inc., Huntington, W. Va.:

"Because of familiarity with requirements, I feel that purchasing generally should route incoming orders. Routing such orders is definitely the purchaser's responsibility for reasons of economy, expediting, scheduling production, and good relations with transportation companies for service and understanding of the purchaser's problems. In many instances where the shipper changes the routing of an order to favor a transportation company of his preference, the

purchaser has lost money due to delays in schedules, transportation costs, and expediting. The supplier should always consult the purchaser before changing the routing of an order. He should always give the point of origin to the purchaser to aid him in routing his requirements."

Follow-Up: Letters and Comments

X-Ray Equipment

Bridgeton, N. J.

In the May 30 issue under "This Week's Product Perspective" on page 17, an item mentions:

"A bottled food products maker runs a 100% inspection on his finished goods. X-rays detect foreign matter and also pick out bottles with extremely thin walls. Experience has shown that thin walls frequently lead to breakage in shipping."

Could you advise us of the bottled food manufacturer so that we may inquire as to the type of X-ray equipment being used and also the source of supply?

J. D. Romanik

Bridgeton Assistant Purchasing Agent
Owens-Illinois

• We suggest you directly contact the X-ray equipment manufacturer—Norelco Div., Philips Electronic Instruments, 750 South Fulton Ave., Mount Vernon, New York.

Wants Reprint

New York, N. Y.

I'd appreciate it if you could send me a copy of "Measure Your Performance Against These Yardsticks" (PW, April 11, '60, p. 18), described in the current National Institute of Governmental Purchasing Newsletter.

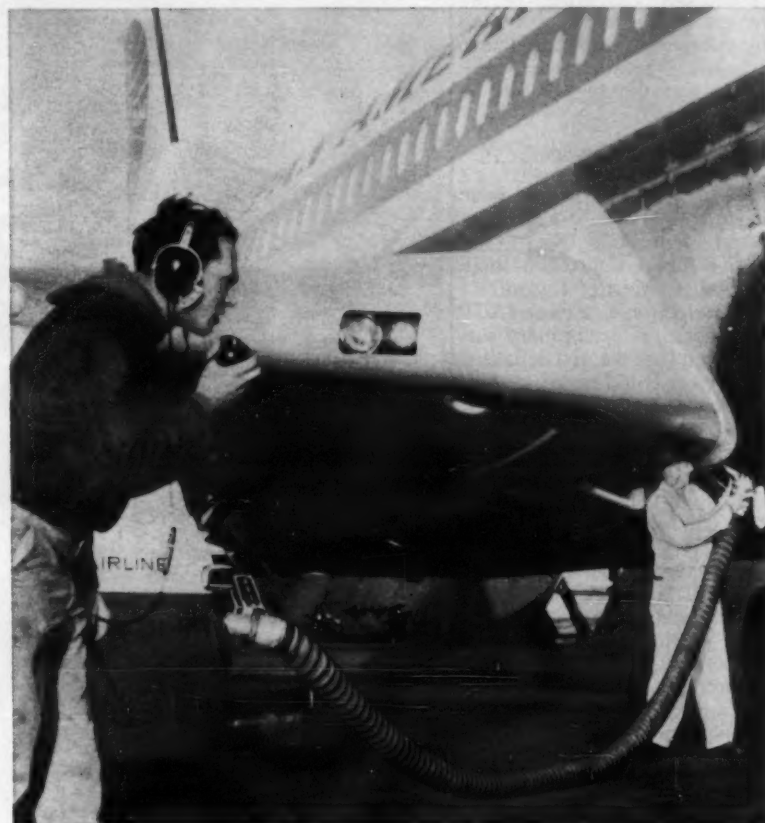
As a matter of identification, I was president (1945) of NIGP and have recently been engaged in a protracted study of municipal yardsticks, so I am interested in the subject.

Maurice G. Postley

Public Relations Counsel
Citizens Budget Commission, Inc.

To Our Readers

Send your letters to: "Follow-Up," PURCHASING WEEK, 330 West 42nd St., New York 36, N. Y.



"Our previous hose gave out after only 1200 to 1400 starts . . .

**Thermoid-Quaker Jet-Starter Hose
good as new after 3500 starts"**

says Mr. B. V. Darress, Maint. Supr. Pan American World Airways.

Jet-starter hose has to take unusual abuse: transmit hot air up to 500°F at up to 600 MPH under sub-zero conditions . . . withstand dragging over abrasive surfaces. Yet it must be light-weight and flexible . . . easy to handle and coil—and it can't kink, collapse, burst or flake off inside.

Thermoid-Quaker Jet-Starter Hose meets these strict specifications and has proved its worth with Pan American World Airways and the U. S. Air Force. According to Mr. B. V. Darress of PanAm, previous hose became unserviceable after only 1200 to 1400 starts. Thermoid-Quaker hose has already outlasted former hose by three to one and still looks like new!

Service like this is important to both commercial and military jet operations. In fact, this hose was developed for military use. "Dacron" cross-braid construction distributes the load evenly, prevents kinking; and the seamless silicone rubber tube and bonding layer resist heat and flaking. Yet the hose remains flexible in any kind of weather.

Get complete information, including Technical Data from your Thermoid Division industrial distributor, or write Thermoid Division, H. K. Porter Company, Inc., 200 Whitehead Road, Trenton 6, New Jersey.

THERMOID PORTER DIVISION

H. K. PORTER COMPANY, INC.

PORTER SERVES INDUSTRY with steel, rubber and friction products, asbestos textiles, high voltage electrical equipment, electrical wire and cable, wiring systems, motors, fans, blowers, specialty alloys, paints, refractories, tools, forgings and pipe fittings, roll formings and stampings, wire rope and strand.

Products List Helps in Make-or-Buy Decisions

New York—Purchasing men at ACF Industries, Inc. have a new tool to help them with make-or-buy decisions. It's a "what we make" directory—a two-volume loose leaf guide to the highly diversified products of ACF's seven divisions. With this handy reference at his fingertips, the busy P.A. has all the information he needs about the manufacturing capabilities of other divisions.

The problem of interdivision communications is not peculiar to ACF—it's one that plagues most big diversified corporations these days. Essentially, it's a problem brought about by fast growth.

Robert W. Montgomery, manufacturing engineer in charge of compiling the directory (called the Survey of Technical and Manufacturing Capabilities), summed it up for ACF this way: "Only a few people knew what we could do. That's because we have grown so fast and there's been relatively little interchange of people between divisions. Nobody had the big picture in hand."

WIDE RANGE OF PRODUCTS

ACF's products range from railroad cars and industrial process equipment (ACF Div.) to automotive fuel systems and small metal parts (Carter Carburetor Div.) to electronic devices (ACF Electronics). A preliminary survey showed that the divisions currently make, could make, or had made some 900 basic products. Clearly, no P.A. could be expected to find his way through this product maze without some kind of road map.

The idea for a guide that would make the big picture available to all purchasing hands emerged out of an ACF Industries top management meeting in 1958, when W. T. Taylor, the firm's new president, asked for a rundown on ACF products. Robert W. Montgomery of Manufacturing Engineering got the job of putting a preliminary survey together (though it could well be a P.A. staff function in most firms).

SENT OUT QUESTIONNAIRE

Montgomery sent out a seven-page questionnaire to the managers of each division. It queried the managers on their plant capacity, machine tools and other manufacturing equipment, administrative, engineering and scientific personnel and research know-how, and products.

This last section asked the managers to list products they had made during the past ten years for which facilities were still available, though not presently in production. In addition to current product lines, they were asked to put down items they felt they could make.

VISITED EACH PLANT

Montgomery devoted several months of part-time work to compiling the survey, visiting each plant to clear up questions, and to getting the information in usable form. The resulting two-volume book was an immediate hit with top management. To keep the information up-to-date, it's revised quarterly, with replacement sheets going out to all divisions.

All this doesn't mean that ACF P.A.'s have to buy from other divisions—they try to get the best

price they can, of course. But at least the quote from another division gives them a better negotiating tool with outside vendors.

Besides aiding interdivisional make or buy decisions, the survey is expected to help managers get product and engineering information from experts at other ACF divisions. It's also a help in accumulating the necessary procurement and subcontracting information for government contract bids. And ACF salesmen who find that their customers need special products may be able to direct them to

another ACF division by checking the survey.

SOME SURPRISES

The survey turned up some surprising sources for P.A.'s. For example, the ACF Division has a little known group that does large industrial art work—as a sideline from murals for the walls of dining cars. And another department has the equipment to make large cooking and processing utensils—a side growth from other pressed steel products manufactured.

Export Group Urges Military to Adopt 'Buy American' Program Overseas

Washington—A Commerce Dept. committee is talking with the Defense Department about the possibility of channeling more of the military's foreign purchases to U.S. suppliers.

Reporting on his recent trip to American installations in Europe, L. F. McCollum, chairman of the department's National Export Expansion Committee, said the time is ripe for a switch to a "Buy American" policy for U.S. military forces overseas.

He said the "booming" European economies no longer needed the benefits of the military off-shore procurement program, launched after World War II to help European business.

McCollum declined to state the committee's findings on just how much spending by the armed forces abroad now goes to foreign suppliers and how much of this could be redirected to U.S. industry should a Buy American program be adopted.



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Where to call for information:

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St. Louis: Jackson 4-4040
BALTIMORE, MARYLAND
Orleans 5-2400
BIRMINGHAM, ALA.
Fairfax 2-1802
BOSTON 16, MASS.
Liberty 2-0797
CHICAGO, ILL. (WHITING)
Chicago: Essex 5-5000
Whiting: Whiting 826

CINCINNATI, OHIO
Cherry 1-1678
CLEVELAND, OHIO
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Metals Canada, Ltd.
Toronto, Ont., 1110
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Scarborough, Phone:
Plymouth 73246
Montreal, P.Q., 1400
Norman St., Lachine,
Phone: Melrose 7-3591

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Government Lists 20 Major Areas, 71 Smaller Regions as Depressed

Washington—The government now lists 20 major industrial areas and 71 smaller areas as depressed communities that have been hit hardest by long-term unemployment and need aid to make an economic comeback.

MAJOR AREAS

Major areas on the "worst-off" list are Detroit; Providence, R. I.; Evansville, and Terre Haute, Ind.; Atlantic City, N.J.; Charleston, Huntington-Ashland, and Wheeling, W. Va.; Fall River, Lawrence, Lowell, and New Bedford, Mass.; Altoona, Erie, Johnstown, Scranton, Wilkes-Barre, and Hazleton, Pa., and the cities of Mayaguez, Ponce, and San Juan in Puerto Rico.

Virtually all major geographical sections of the country were represented in the report, but the list of smaller areas was dominated by coal mining towns of Pennsylvania, Kentucky, Illinois, and West Virginia.

Labor department officials said that declines in local industry such as coal mining, textiles, machinery, and autos were responsible for the plight of the regions and municipalities, which now are in line for federal aid to help re-

juvenate their economic situation.

A city goes on the distressed area list when it has an annual average unemployment rate of at least 50% above the national average of three of the preceding four years; 75% above the U.S. average for two of the three preceding years; and double the national rate for one of the two past years. Its unemployment rate also must hit 6% or more on a current basis with no immediate prospect of improvement.



FRUEHAUF rolls out new 'Hi-Tensile Steel Volume-Van' with front and side panels cloaked in stainless steel with 1½-in. corrugations.

Corrugated Steel Trailer

Detroit—Fruehauf Trailer Co. has come up with a new high-tensile corrugated steel trailer which, the company claims, combines ease of fabrication with low initial costs.

Fruehauf officials say the new van can be used to haul dry freight or may be insulated. Front and side panels, cloaked in horizontal 1½-in. corrugations, are automatically welded to insure uniform strength throughout.

Available in lengths from 21½ ft. to 42 ft. "Hi-Tensile Steel Volume-Vans" have a 92½-in. inside width with full plywood lining.

Washington Warehouses Revise Steel Price Policy, Follow National Pattern

Seattle—Major steel warehouses in Washington state are following other big steel service centers across the nation in revising their pricing policies in an effort to increase direct business and meet foreign competition in the steel market.

The new rates benefit quantity buyers but raise prices on small orders of less than 2,000 lb. This, in effect, conforms to the pricing method used by most steel warehouses across the country.

Under the revised rates, extras which formerly were figured on the quantity of the order, are calculated on the amount of steel in each individual item in the order. Markups are revised on the basis of turnover and gross margins are reduced as much as 6%.

On small orders, the new method raises prices 8% to 12% but on orders of more than 2,000 lb. price reductions range from 9% to 18%.

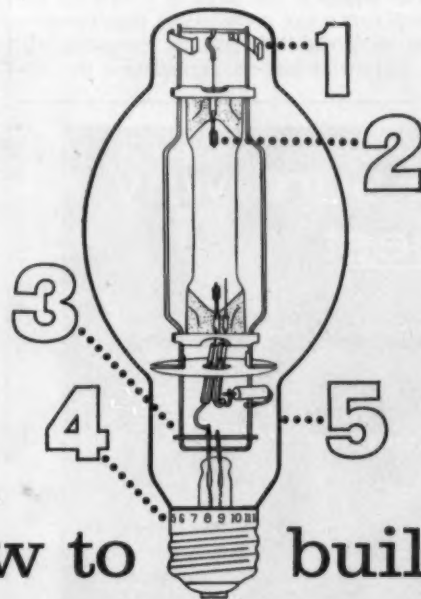
Erie Moves to Become A Major Heavy Lift Port

Erie Pa.—The Port of Erie is flexing its muscle in a bid to become a major heavy lift port.

The Duquesne Marine Terminal has put the first of two heavy lift cranes into operation which will give the port one of the highest lift capabilities on the Great Lakes.

The first piece of equipment is a 30-ton crane converted from a permanently mounted type to a traveling gantry at a cost of \$114,900. The crane uses railroad tracks embedded in the pier to move from ship to ship.

By the end of the month, a 110-ton crawler crane costing \$281,000 is expected to be in operation. Funds for both cranes were provided by the state.



How to build the world's best mercury lamp

5 bright ideas that make Sylvania Mercury Lamps outstanding...and a 6th that guarantees it!



1 Built-in "Shock Absorbers." Top-down view of Sylvania Ruggedized Dome Support shows tough double-leaf springs. They absorb shocks, vibrations, maintain correct position of arc tube. Even under roughest wear, Sylvania Mercury Lamps keep burning bright.



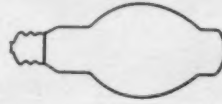
2 Brighter, faster lighting . . . even at 20°F. below! New Sylvania Trimetallic Electrode construction gives maximum protection, best performance, more light, longer life than any other mercury lamp! Sylvania Lamps start even in dead of winter!



3 Welded twice-over strongly . . . that's support! Other lamps balance the arc tube on a single welding. If it breaks, good-bye, lamp! Sylvania Ruggedized Base Support has *two* weldings. Result: more strength against shocks, vibrations. Longer life with Sylvania!



4 Bookkeeping done right on the base! Time-saving, moneysaving idea here! Sylvania Light Recording Base lets you scratch numbers on base representing month, year of installation. With 12,000-hour average rated life, Lamp itself tells how long it's lasted!



5 "Weather-conditioned" glass shell. Let it rain, sleet, snow or suddenly turn blistering hot, Sylvania Ruggedized glass shell stands up to all weather, resists thermal shock. No worries any time of the year with Sylvania Mercury Lamp. We repeat: *this lamp lasts!*



6 Exclusive Sylvania "Light Insurance Policy"—This is your guarantee of best performance, lowest TCL—Total Cost of Lighting (which means cost of lamp plus power plus maintenance). See your Sylvania representative. Or write to us for information.

Sylvania Lighting Products, a Division of Sylvania Electric Products Inc., Dept. 46, 60 Boston St., Salem, Mass. In Canada: Sylvania Electric (Canada) Ltd., P.O. Box 2190, Station "O," Montreal 9.

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Sales—Use Taxes Are a Mess, But It Pays to Unscramble Them

New York—Tax problems are multiplying for the industrial purchasing agent. Keeping abreast of the various forms of sales/use taxes levied by most of the 50 states and a number of municipalities is a tough job. And in these days of keenly competitive buying, knowing when and where it is necessary to pay a sales and/or use tax often can spell the difference between a good buy and a bad one.

Here are some of the latest developments on the sales/use tax front:

● On July 1, **Kentucky** joins the list of 34 states that already have made sales/use levies one of their principal sources of tax revenue.

● **Nebraskans** are being asked to authorize a spot on the November ballot for a constitutional question involving enactment of a general sales and use tax and a graduated income levy.

● **Massachusetts and Michigan** have had rugged legislative fights recently over sales and use tax issues. Similar tax

rumblings also have been heard in other state capitals.

● A bi-partisan measure is being rushed through Congress to void effects of the Supreme Court ruling in **Florida's** Scripto case last March (see PW March 28, '60, p. 1). But **Pennsylvania** and other use tax states already have moved to jack up enforcement of the decision, which upheld their right to impose use tax collection liability on out-of-state sellers.

More and more states are turning to sales and use levies because it is one of the best sources of revenue not already tapped by the federal government. In 1959, for example, general sales, use, and gross receipts taxes poured over \$3.6-billion into state coffers—about one fourth of the total of all taxes collected by states.

Kentucky, which begins its tax collections within a few days, is a striking example of a tax controversy that involves the industrial P.A. and his company.

Industrial leaders argued that the up-

coming 3% levy would hamper the state's industrial improvement and expansion programs. Finally, the governor's tax regulations committee proposed a tax exemption for new machinery or replacement equipment with a higher productive capacity than the machinery to be replaced. However, equipment that replaces old capital goods but does not expand production would be taxed at 3%.

Other parts of the Kentucky committee's recommendations exempt raw materials used to manufacture finished goods, tools, supplies and other non-reusable materials that have a useful life of less than a year. This takes the 3% tax burden off much MRO-type purchasing. And the state would exempt fuel and energy consumption over 3% of production from sales taxes.

The Kentucky situation is an example of the confusion and fluid tax figures that confront the P.A. in efforts to keep up-to-date on sales and use taxes, not only in his state but in those which are home ground for vendors.

Two thirds of the states, plus the District of Columbia and a number of individual cities and municipalities, already collect sales or use taxes, or both. Sales and use taxes differ from state to state, but in every state, except one (**Indiana**), where a sales tax is levied, a use tax goes along with it.

Each state measures the amount to be taxed in different ways and provides different types of exemptions. In some states the definition of sales and use taxes overlap—sometimes there is double taxation.

Thus, one of the first things to remember is to avoid paying taxes when the law does not require it, because it is frequently difficult to get the tax payments refunded once the error is discovered.

WHAT IS A SALES TAX?

A sales tax is a levy imposed on the purchaser of a product or service, rather than on the seller. But it is usually collected for the state by the seller. Collecting the tax from the buyer usually is not practical unless the total amount of goods purchased is sufficiently large to make it economically worthwhile for the state to check up on a buyer's payments.

Since the vendor usually collects the sales tax, it's good practice to specify on purchase orders whether the purchase is taxable. Most states require this, but the type of purchase may be exempt. It doesn't hurt to remind the seller of your tax situation.

A notation on an order—"Taxable" or "This purchase not subject to use or sales tax"—will do the job. However, a check with the company lawyer is advisable to be sure the language is correct.

WHAT IS A SALE?

Don't let the term sales tax fool you into thinking that such taxes are imposed only on the sale of products. Service contracts, rental contracts, and contracts of leases and licenses to use also may be subject to a sales tax. This is because each state has its own definition of the word "sale." As long as the sales tax does not violate the constitution, each state's legislature is free to tax any transaction as a "sale."

Generally, transactions for sales tax purposes fall into four categories:

(1) Transactions that clearly are sales of products and are taxable under the sales tax statute.

(2) Transactions that clearly are not sales and are not taxable.

(3) Transactions that really aren't sales at all but are so defined and taxed as sales by the taxing statute.

(4) Transactions that clearly are sales but are exempt from taxation because the sales element is only incidental to a service or repair transaction or because the sale is not a retail transaction.

Category 4 covers the vital areas in which you may not have to pay sales tax

(depending upon the state statute). Let's look at a few of these tax savings areas:

SERVICE TRANSACTIONS

If no transfer of property is involved and the transaction strictly involves services only, no sales tax will be levied (unless there's a special statute). Example: A mechanic repairs a machine and uses no parts—no sales tax is levied.

REPAIR SERVICES

When a repairman fixes a machine and adds new materials, has a taxable sale occurred? That depends upon whether the sale of the repair materials to the repairman himself was considered a sale at retail or a sale at wholesale. Under all sales tax statutes, only one sales tax is to be paid in the chain of transactions which transfer the article from the producer to the consumer.

If under the sales tax law in your state, a transaction between the repairman and the customer is considered a service transaction with no taxable sale, then the sale in which the repairman bought the materials is taxed as a sale at retail. On the other hand, if the repairman is considered to have bought the materials at wholesale, then the addition of the materials to the machine is a taxable sale.

The important thing to remember is: If the repairman has already paid the tax, you don't have to!

SHIPPING OR STORAGE

If shipping or storage has occurred before a sale and is a necessary cost of delivering the goods to the buyer, these costs are included in the sales price and are subject to the sales tax. However, storage and shipping charges paid by the purchaser after he buys the goods are not subject to the sales tax. When goods are sold f.o.b. and the purchaser accepts delivery subject only to inspection upon delivery to the carrier or warehouse, the sales price for sales tax purposes does not include shipping and storage charges.

TAX ON CONTAINERS

States tax containers in different ways depending upon whether they are empty and returnable, empty and not returnable, filled and returnable, or filled and not returnable. Empty non-returnable containers have generally been treated as retail sales and taxed where the statute does not specifically deal with the problem.

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In Ohio, the tax commissioner has excluded sales of packing, wrapping, and crating materials sold to an established business from sales tax. The theory is that the price of these items will be reflected in the price of the final product at retail, which of course, is subject to the sales tax.

RETURNS AND DISCOUNTS

Here again state rules differ. West Virginia and North Carolina are the only states that prohibit the deduction from the sales price of cash discounts allowed at the time of sale and taken later. Nearly all of the states permit an exemption from sales tax when goods are returned, regardless of whether repayment of the purchase price is made in cash or credit. Some states, however, place a time limit within which the goods must be returned if the sales tax is not to be paid. Rhode Island, for example, has a 120-day limit; California a 90-day limit.

WHAT IS A USE TAX?

Use taxes, in effect, take up where sales taxes leave off. They are designed to tax transactions that would escape taxation under a sales tax if purchases are made in other states (sales in interstate commerce are not subject to the sales tax).

The use tax protects manufacturers and retailers in the state from untaxed competition from manufacturers and retailers from other states. It also protects the revenues of the state by removing the temptation to place orders in other states to escape payment of sales tax on local purchases.

Suppose the buyer lives in a state which has a sales tax but no use tax. To save tax money, he could buy from a seller in another state which either has no sales tax or has a lower sales tax rate. But if the buyer's home state also has a use tax law imposing a tax on goods bought out-of-state, it is no longer attractive to him to buy out-of-state.

The use tax is levied on the buyer and collected by the vendor from the buyer whenever seller is subject to the state's jurisdiction.

But a state can require an out-of-state seller to act as tax collector for it only when the seller is subject to the state's jurisdiction. If a sale begins in one state and ends in another, the transaction is ordinarily exempt from the sales tax. But the same transaction is not exempt from use tax.

The trend has been to make it easier for states to subject out-of-state sellers to their own jurisdictions. Thus, a vendor who sends salesmen to another state to solicit sales has been held subject to the other state's jurisdiction and has been required to collect the use tax for the other state.

A few states have important exemptions from the use tax that can save you tax money.

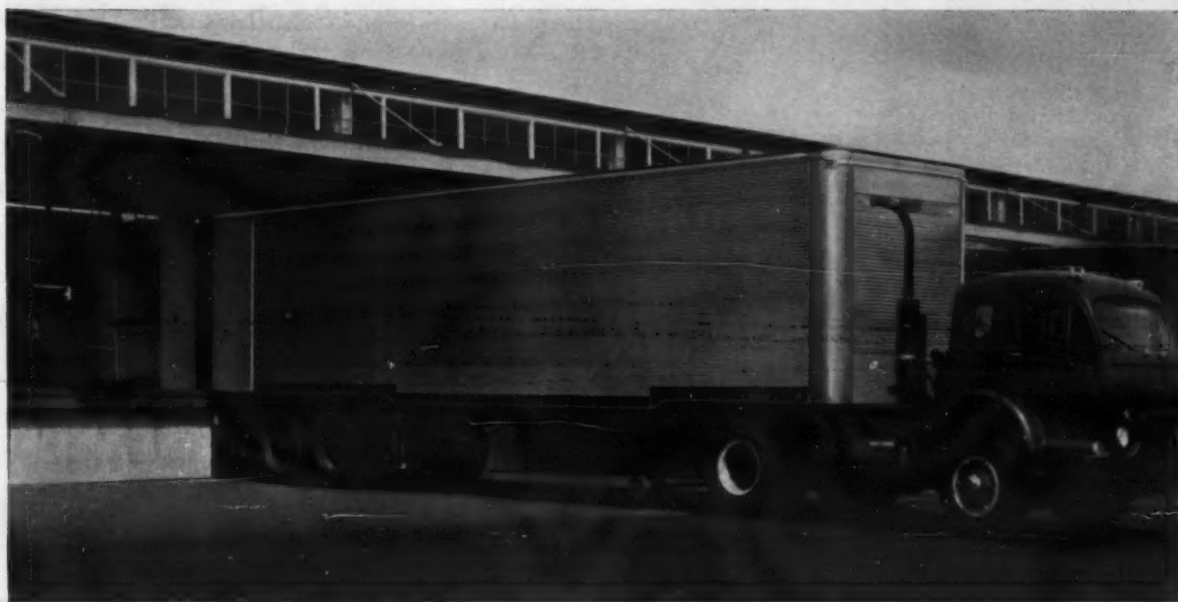
Iowa, Missouri, North Dakota, and West Virginia exempt industrial materials and equipment from use tax if they are not readily obtainable in the state and if they are used directly in the actual fabricating, manufacturing, or servicing of tangible personal property ultimately intended to be sold at retail. Arizona allows a similar exemption for property.

Property is considered readily obtainable within the state if it, or similar goods, can be purchased from the stock of a retailer in the state or may be ordered through a state retailer.

Sales and Use Taxes in Various States

STATE	SALES/ USE TAX	STATE	SALES/ USE TAX	STATE	SALES/ USE TAX	STATE	SALES/ USE TAX
Ala.	3%*	Ind.	3/4 of 1%	N. Mex.	2%	Okla.	2%
Ariz.	3%	Iowa	2%			Pa.	4%
Ark.	3%	Kans.	2 1/2%	N. Y.	None	R. I.	3%
Calif.	3%*	Ky.	3% (eff. 7/1/60)	N. Y. C.	3%	S. Car.	3%
Colo.	2%	La.	2%	N. Car.	3%	S. Dak.	2%
Conn.	3%	Me.	3%	N. Dak.	2%	Tenn.	3%
D. C.	2%	Md.	3%			Utah	2%
Fla.	3%	Mich.	3%			Wash.	4%
Ga.	3%	Miss.	3%*			W. Va.	2%
Hawaii	3 1/2%	Mo.	2%			Wyo.	2%
Ill.	3%*	Nev.	2%				

* Plus additional local taxes.



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Industry News in Brief

New Lab Opens

Hollywood, Calif.—A new engineering laboratory for customer service on precision potentiometers has been opened here by International Resistance Co., Philadelphia. The new facility is located at 1136 North LaBrea Ave.

Emsco Buys Win-Well

Dallas—Continental Emsco Co. has acquired Win-Well Manufacturing Co., Tulsa. Included were rights to rotary selector valve. Manufacture of the valve will now be at Continental-Emsco's Garland plant.

Firm Buys Warehouse

Buffalo—A new stainless steel warehousing operation will be set up in Blasdell by Industrial Stainless Steels Inc. of Cambridge. The firm, a subsidiary of Eastern Stainless Steel Corp. of Baltimore has bought a 20,000 sq. ft. warehouse at 2025 Electric Ave.

Nearing Completion

St. Louis—Bemis Bros. Bag Co. expects its new 155,000 sq. ft. plant being built at Newark, Calif., to be completed Aug. 31.

The new facility, on a 17-acre site in the San Francisco Bay area, will manufacture burlap, cotton, and waterproof laminated textile bags, and multiwall, open-mesh, and other paper bags.

The new plant which will be in full operation by early September, is the fourth California facility Bemis has constructed in the past six years.

Adds Distributors

Denver—Quick-Way Shovel Co. has expanded its distributorships in the U. S. and abroad for its line of earth moving equipment.

Named regional distributors were Casey-Metcalf Machinery Co., Los Angeles; Smith Booth Usher Co., San Diego, and Matt A. Doetsch Machinery Co., Washington, D. C. Doetsch was also named distributor for Quick-Way equipment for foreign government embassies and purchasing missions in the capital area.

A second export distributor named recently was the Van Sun Co. of Formosa, which will handle sales to the Republic of China and U.S. agencies in Formosa.

New Company

Hialeah, Fla.—Russell, Burdshall & Ward Bolt and Nut Co., Port Chester, N. Y. and Modern Designers have formed a new company, Industrial Plastic Molders, Inc., to make injection molded plastic parts.

RB&W, a manufacturer of industrial fasteners, holds a controlling interest in the new firm.

Builds Warehouse

San Francisco—Republic Supply of California is building a

warehouse in Sacramento to handle pipeline and water works supplies. The facility, which will open Aug. 15, is a \$250,000 investment.

The new Sacramento warehouse will be operated as a branch of the northern division, of San Leandro, Calif.

Koppers Expands

Pittsburgh—Koppers Co. plans to expand its Oil City, Pa., plant to produce a wider line of inter-

mediates used in petroleum additives and in detergents and resins.

The plant will produce alkylated phenol and is expected to go on stream by July 1.

Plan Container Plant

Magnolia, Miss.—The Flintkote Co. will take advantage of Mississippi's drive to attract new industry by building a multi-million dollar corrugated container plant here.

The new 115,000 sq. ft. plant

will be run by the Hankins Container Co., a Flintkote division, which will lease the facility on a long term basis from the state.

Sales Subsidiary Set Up

Los Angeles—Packard Bell Electronics Corp. has formed a wholly owned subsidiary, Packard Bell Sales Corp., to handle sales of the company's Home Products Div.

Plastic Plant Opens

Torrance, Calif.—The newly formed Plastics Div. of Horkey-

Moore Associates has moved into new quarters adjacent to the firm's main plant here.

The plant fabricates large sized plastic components for the missile and space vehicle industries.

Sales Representative Named

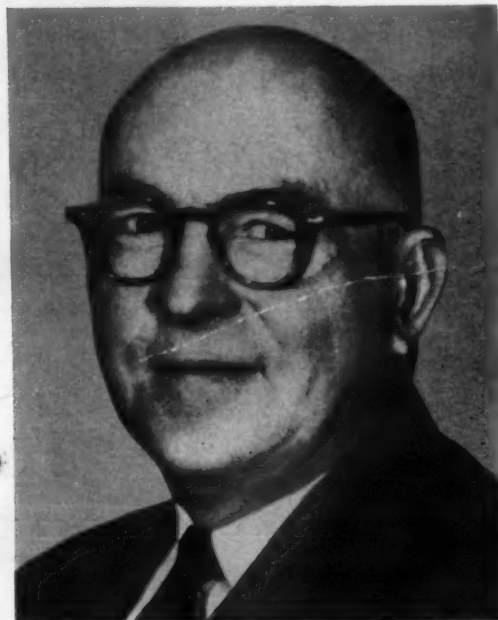
Boston—Mason-Neilan, manufacturers of valves and liquid level controls, has appointed Malcolm D. Duncan Association, of Jacksonville, to handle sales in South Georgia and Florida.

The firm, a division of Worthington Corp., is headquartered at Norwood, Mass.

"Small wonder the Yellow Pages are a habit here at our buying office. Just recently we decided to have some broken forklift pallet platforms repaired at one of our plants. Until then, we had always replaced them. Through the Yellow Pages, we found a local shop that

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DAILY TO FIND
LOCAL SUPPLIERS
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says Paul Boorse, Manager, Purchasing Dept.,
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now does the work on a regular basis—at a considerable saving to us.

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Lockheed Aims at Bigger Cut of Plastics Market

Burbank, Calif. — Lockheed Aircraft Corp. plunged more deeply into the growing plastics market last week with the opening of a \$3-million plastics center here.

The 100,000 sq. ft. facility will be used exclusively for development and manufacture of aerospace and consumer plastics products.

M. C. Haddon, California Div. vice president and general manager, said a special sales group had been set up to handle Lockheed's new line of plastics products, which include plumbing, heating, ventilation, and lighting fixtures, as well as decorative panels, simulated stone and marble, insulation, skylights, soundproofing, and fireproofing.

In the military products field, Haddon said company engineers are evaluating plastics for possible use in underwater warfare research because of the material's corrosion-resistance and its capacity to resist underseas detection.

In addition, Haddon said Lockheed is now turning out a "flame shield" designed to protect the main body of high-speed missiles against engine-generated heat.

The shield, he explained, is made of layers of glass fiber cloth, laminated by resin, that dissipates heat. In flight, each layer burns separately, without flaming, and provides insulation for the layer directly beneath.

"Tests have demonstrated that these laminated ablative materials can withstand temperatures in the 800-F. range—as high if not

higher than most common metals," Haddon said.

More than 400 technicians have been assigned to the new Lockheed facility, which includes this equipment:

- **Steam plant** with two 250-hp. boilers that can produce steam at a rate of 16,000lb./hour for heating dies and processing solutions.

- **Compressor** (125 hp.) to deliver air at 600 cu. ft./min. for operation of motors, drills, and presses, and for removal of chemical fumes.

- **1,000-ton platen press** for

bonding metal or plastic materials.

- **Grinding machine** for measuring and grinding aircraft radomes to 1/10,000 in.

- **Filament winding machine** for fabrication of distortion-free aircraft radomes.

In addition, Lockheed has set up an air-conditioned, humidity controlled, dust-free room to provide a contaminant-free environment for high-strength bonding operations. The company also has several walk-in refrigerators and walk-in ovens for plastics curing.



OPERATOR lifts section of forward cargo compartment from 300-ton capacity hot platen press in Lockheed's \$3-million plastics center.

U. S. Rubber Introduces Coating Designed to Add Years to Life of a Roof

New York—United States Rubber Co. announced it has developed a new roof coating that will add as much as 15 years to the life of asphalt roofs.

The new material, a combination of rubber and aluminum, is waterproof, will not chip, crack or peel, and comes in colors that are fade resistant, the company said. It is applied with an ordinary paint roller, after the roof surface has been brush cleaned. On an upward swing, the roller forces enough coating under the shingles to rebind loose edges. One application is all that is necessary.

U. S. Rubber plans to market the material under the name U. S. Royal Roof Coating, but it will package it for leading distributors who want to market it under their own brand names.

Prices of Belting Go Up

Akron, Ohio—Goodyear Tire & Rubber Co. has boosted its prices on narrow and short conveyor and elevator belting in a "significant adjustment aimed at reflecting the relationship between actual costs and quoted prices."

At the same time, Goodyear announced it was dropping its prices on wider and longer belts. The progressive discounts will be based on seven length categories ranging from 50 ft. to 2,500 ft. Discounts will run as much as 41%.



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5. Specific 12-ft lengths at no extra cost (for rounds up to 2 3/4 in.; hexagons up to 2 in.).



ALCOA ALUMINUM

SCREW MACHINE STOCK

H. K. Porter Slates \$4-Million for Expansion

Pittsburgh—H. K. Porter Co. Inc. has launched a \$4-million expansion and modernization program aimed at giving its steel-industry customers better quality refractory bricks.

The program, which will result in greater brick output, involves two of Porter's Refractory Div. plants. These are:

• **Bessemer, Ala.** Porter will spend \$2-million on new storage facilities and a new factory, which will include a tunnel kiln, dryers, and other brickmaking equip-

ment. The Bessemer project is expected to boost plant ladle-brick capacity and permit addition of new fire clay refractories.

• **Wellsville, Ohio.** A new \$455,000 mechanized clay mine at Porter's Wellsville facility will include a crusher elevator, conveyors, bins, and storage facilities. The company also will spend \$1.5-million for two new tunnel kilns, additional dryers, and other new equipment.

"The added production capacity provided by our improved

Bessemer and Wellsville plants," said a division spokesman, "will enable us to give the steel industry faster deliveries of uniform, high-quality ladle brick."

BETTER QUALITY CONTROL

"Both the expansion and modernization steps," he continued, "are geared to meet modern steel-making practices by increasing refractory brick production and providing improved product quality through more accurate quality control and better manufacturing techniques."

Ryan Plans New San Diego Facility For High-Energy Forming Technique

San Diego, Calif.—Ryan Aeronautical Co., a leading aircraft, missile, and electronic components maker, has completed plans for the construction of a high-energy forming production facility.

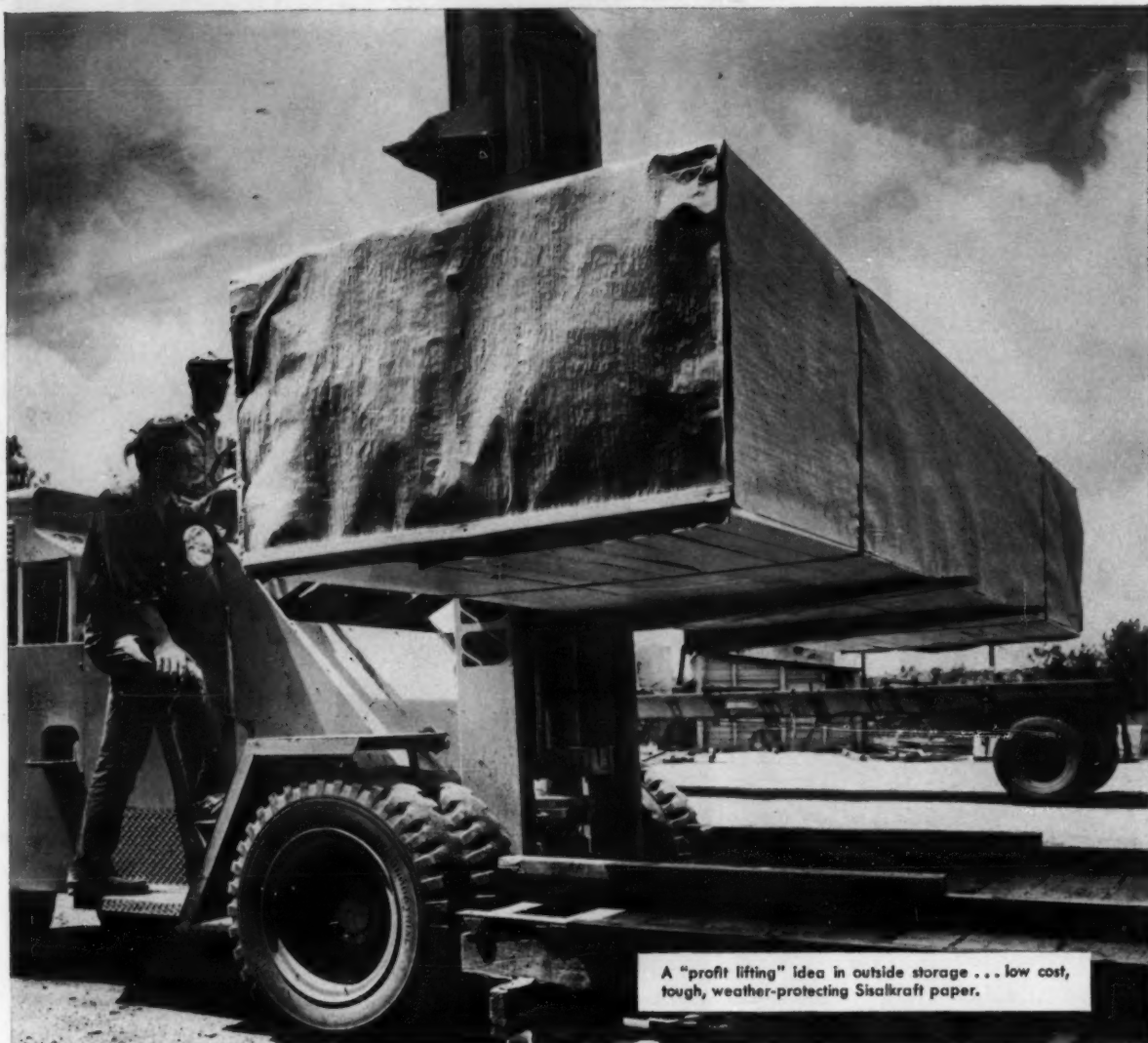
Ryan, a pioneer in advanced fabrication methods using stainless steels and other tough, hard-to-handle metals, has developed a high-energy forming technique which will be put into operation in the new facilities.

The technique accomplishes the formation of intricate high precision parts in a fraction of a second through the use of explosives.

The metal part is inserted in a die and the assembly placed in an underground pit filled with water. A small explosive charge positioned within the die is detonated, and the explosion forces the water against the part and into the space of the die.

By this means, forming of parts is accomplished at speeds of 200 ft. to 500 ft. per second, compared with 1 ft. to 5 ft. per second when shaped in the usual giant machines in general use in aircraft production plants.

The new Ryan facility will include three steel and concrete



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Reinforced, waterproof paper used here is aimed sharply at a problem — no over protection — enough to do the job and keep the cost at a minimum.

American Sisalkraft has more experience than anyone else in making waterproof, reinforced paper for industrial wrap, vapor barriers for construction, and reinforcing tapes for closing and sealing shipping cartons. These products are the forerunners of a parade of new, low cost Sisalkraft flexible barriers.

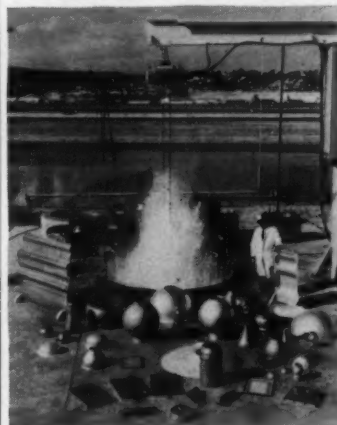
Today, we are developing new types of flexible barriers made of paper, foil or plastic, using laminates to impart special properties such as increased vapor and fire resistance. In addition, production has started on a new line of poly-coated papers for

further conversion by industry. Why not write us if you want further information on any of these products? Address our Home Office in Attleboro, Mass.



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reinforced paper, foil and plastics for construction, industrial packaging and agriculture



DETONATION in water-filled pit forms Ryan parts in split second.

underground pits with electric powered cranes and hoists to handle the dies and metal parts.

Typical parts for which high-energy forming is particularly adapted are rocket chambers, pressure vessels, space re-entry cones, radar reflectors, jet assist take-off (JATO) bottles and similar units.

General Transistor Corp. Switches to Direct Sales In Seven Market Areas

New York—General Transistor Corp. has switched from distributors to direct sales in seven key markets.

Sales offices are now operating in New York, Philadelphia, Boston, Chicago, St. Paul, San Francisco, and Los Angeles. All other areas will continue to be served by existing manufacturers' representatives.

"By staffing these district offices with full time engineers," said Jerome Fishel, vice-president, "We are now in a position to provide greater personal attention in the form of faster answers to special problems, more sales contacts, added assistance in expediting orders, and up to date information on new device developments."

Plan Container Plant

Charlotte, N. C.—Weyerhaeuser Southern Corp. will build a corrugated shipping container plant in the Piedmont and Northern Railway's Chemway industry district.

Construction of the 130,000-sq. ft. plant will begin this summer.

Foreign News in Brief

BMW to Merge

Bonn—After months of negotiations, financially shaky Bayerische Motorenwerke AG, Munich manufacturer of Isetta and other BMW cars, will merge with Maschinenfabrik Augsburg-Nuerberg, of Augsburg.

Under the agreement, BMW will give MAN a 50% interest in the BMW subsidiary, Triebwerbau, GmbH, which makes aircraft and missile power plants. BMW car production will not be affected by the deal.

Oil Prices Drop

Toronto, Ont.—Imperial Oil Ltd. has reduced furnace oil prices 1¢/gal. to a new price of 17.1¢/gal.

The reduction, described by Imperial officials as a "discount to customers," will remain in effect for at least 12 months.

Harvester Expands

Hamilton, Ont.—International Harvester Co. Ltd. has announced plans to expand its farm equipment works here.

The \$8.5-million program will add 200,000 sq. ft. of manufacturing space and \$2.5-million worth of new equipment.

Paper Mill Expands

New Delhi—Rajahmundry Paper Mills will expand its plant capacity from 3,000 tons to 15,000 tons/year through the purchase of \$5-million worth of

paper machinery from Japan. Company officials, who have already received government approval of their expansion program are reportedly negotiating with Mitsubishi Co. for the new equipment.

tion going." Defense Production Minister Raymond O'Hearley said a cabinet committee is now "studying the future of the company."

Plan New Berths

Hamilton, Ont.—Hamilton Harbor "is getting so much Seaway business" it will add five new berths by 1962, Clifford Morgan, Harbor general manager, said.

"Total tonnage has doubled since last year," he said. "To the end of April, tonnage is 800,000. If the harbor gets much more crowded, ships will have to anchor out in the bay."

Unit Removes Air

Amsterdam—Machinefabriek J. W. Terlet, of Zutphen, has come up with a fully automatic unit for removing air and introducing inert gas into foodstuff containers.

The patented unit, company officials say, has a flexible capacity, "depending on the required process time." The "wear-free" unit can handle virtually all dry foodstuffs, including powdered milk, cocoa, and coffee.

Willys Enters Italy

Palermo, Italy—Willys Overland Export Corp. of Toledo, Ohio, is setting up a new company, Willys Mediterranea, to manufacture a complete line of "jeeps" in a new factory here.

The new venture, which will be handled by an undisclosed Swiss firm in Zurich, will reportedly concentrate on "wholesale" exports of jeeps around the world.

Develops Crystal Oven

London—A General Electric Co. subsidiary, Salford Electrical Instruments Ltd., has developed a new thermostatically controlled crystal oven, 2" long and 1¼" in diameter.

The new unit, now in commercial production, features low power consumption of 6W at -30 degrees C., close temperature control of plus and minus 2 degrees C., and is built on an international octal base with a self-locking anodized aluminum cover.

Acetic Acid Plant

Hull, England—Distillers Co. Ltd. will build a new \$5.6-million plant here to produce acetic acid by a new single-stage process based on direct oxidation of a light petroleum fraction.

The new plant, billed as "the first plant of its kind in Europe," is expected to go on stream early in 1962.

Russia Finances Plant

Jakarta, Indonesia—The Soviet Union has signed a contract with the Indonesian government to build and finance 100,000-ton capacity steel plant here.

The new plant, expected to be completed within the next two years, will supply steel for both the domestic and export market.



We have the facilities; the know-how is free

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First, we have the facilities for the job. Saws, millers, drills, lathes, punch presses, planers, sanders. Hundreds of them. Many are standard machine tools modified to machine laminated plastics quickly and easily.

Others are special, designed primarily for the high-speed production possible with laminated plastics.

Second, behind the machines are people who know practically every trick in the book for turning out a first-class job fast. They also know what to avoid doing.

Finally, it will hardly pay you to handle your own fabrication—in

terms of money, in headaches, in possible errors, waste or delays. Call a Synthane representative near you for a quotation—you'll find him in any principal city or write Synthane Corp., 8 River Road, Oaks, Pa.

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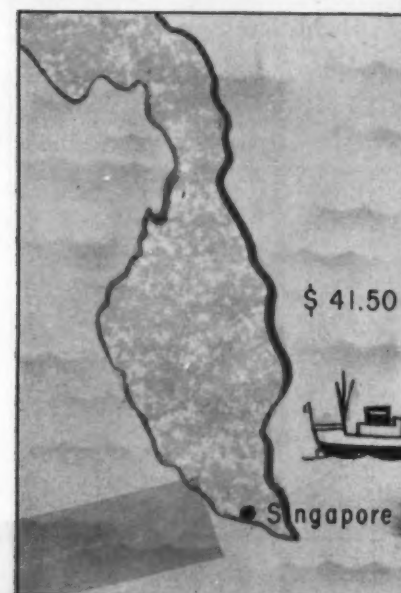
You furnish the print—we'll furnish the part



PIONEER SHIPMENT OF CRUDE RUBBER shown here may bring a new look in bulk shipping to U. S. heartland because of mathematics (below) and routings (see maps, right). Goodyear officials watch unloading of shipment above.



THE OLD WAY of shipping



THE NEW WAY by-passes

Has Akron

FIVE major rubber companies have agreed to ship crude rubber through cooperative planning—and Seaway, rather than an East Coast, route to save approximately 1/2¢ a pound on made directly from Malaya to a Great Lakes port.

• Thus, if cooperative shipments of 10,000 tons of crude rubber through the St. Lawrence Seaway, Akron may have completed voyage of the Mid-East (Hartismere).

• And even if all the factions in the rubber industry on a complete switchover to use of Seaway, some traffic men believe the Harismere and lower steamship conference and rail rates to the U. S. via the East Coast.

If the rubber industry decides its Seaway trial success, it could point the way for a band together on boatload shipments of one of them could accommodate alone. The first crude rubber into Akron will bring the "first" crude rubber into Akron also brought the first direct shipments of crude rubber.

STORY BEHIND THE SHIPMENT

Five companies—Goodyear, Firestone, Goodrich, and U. S. Rubber—negotiate the first run began March 15, when the Hartismere 3,100-ton rubber cargo at Singapore, and arrived at Detroit.

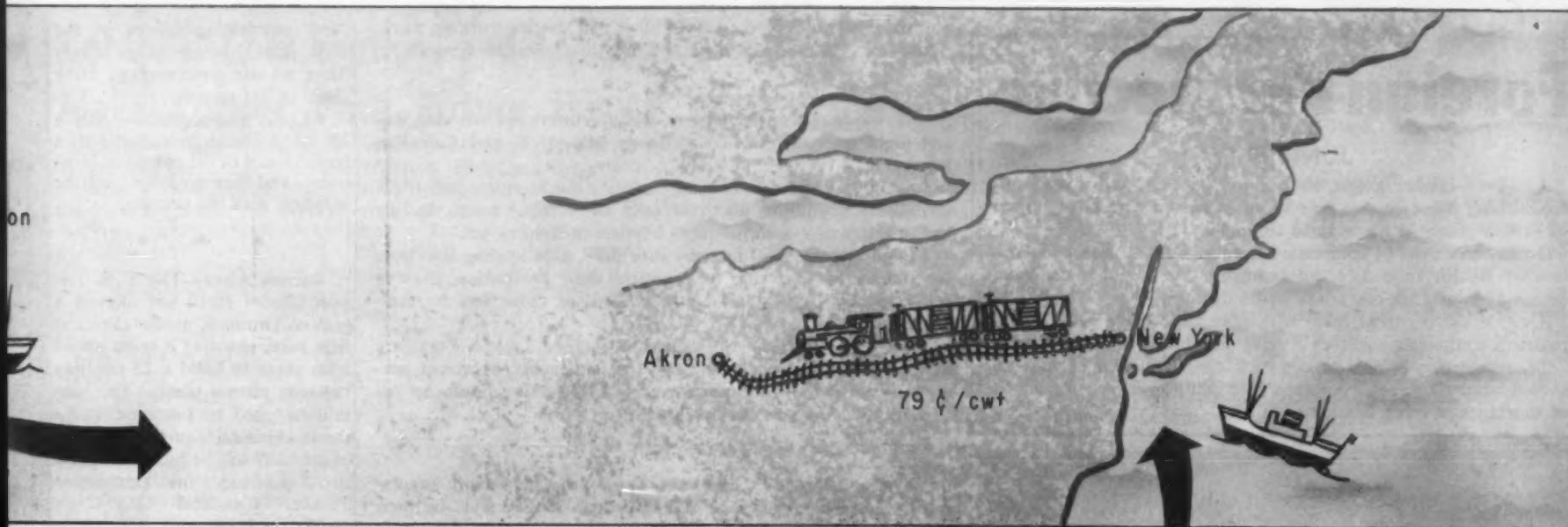
Idea was to test time and costs of a normal movement of crude rubber from the shipping points via the port of New York. 2,000 tons—was scheduled for discharge

GETTING CRUDE RUBBER TO AKRON

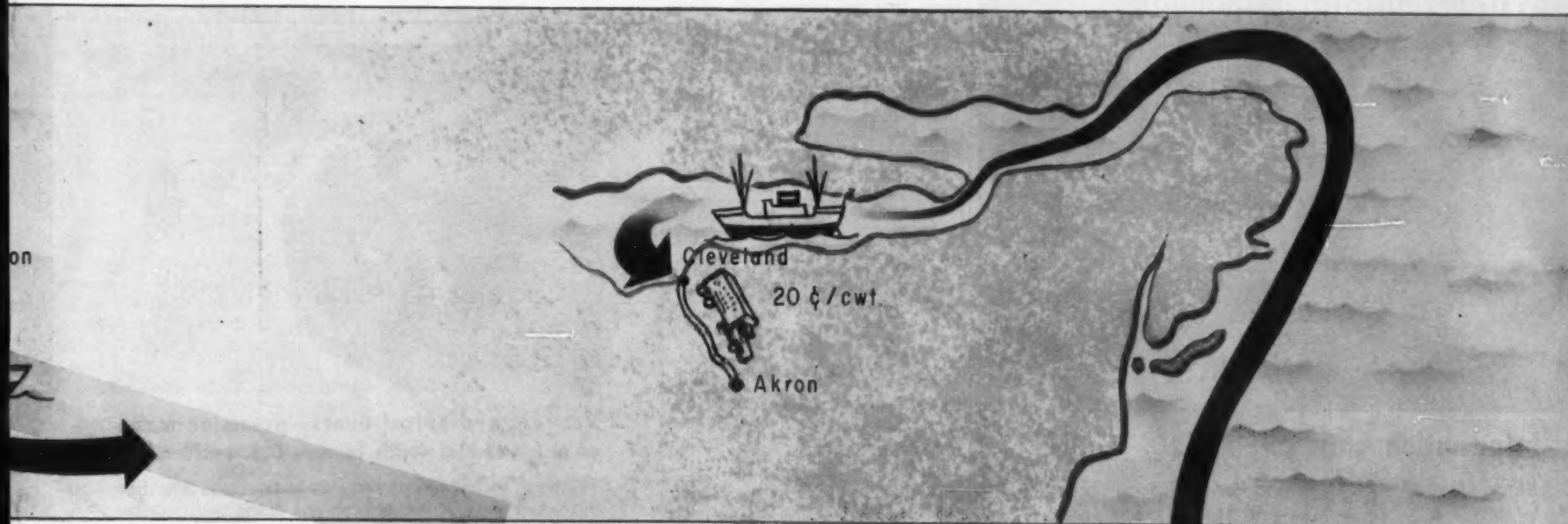
How Costs Compare on a 2,000-ton Shipment from Malaya

	VIA EAST COAST	VIA THE SEAWAY
Ocean Transit	\$41.50/ton to New York	\$41.50/ton to Lake ports
Overland to Akron	79¢/cwt via rail from Port of New York	20¢/cwt via truck from Port of Cleveland
Travel Time	total of 40 to 50 days (35 to 45 days on water to New York; five days rail travel).	total of 70 to 80 days (65-75 days on water to Lakes port; about 1 day by truck)

SUMMARY: Gross savings on a 2,000-ton shipment via Great Lakes to Cleveland total roughly \$22,400 on basis of the difference between rail and truck overland shipping costs. Subtract additional inventory carrying costs incurred on the longer Seaway route for approximate net savings of \$17,000.



Crude rubber from Malaya to Akron takes cargo vessels as far as New York. Rubber then moves by rail to its destination.



New York. The shipment instead moves by vessel to Great Lakes port, then overland by truck to rubber capital of the U.S.

Discovered New Key to the St. Lawrence Seaway?

just determined that with luckier timing—a go routing may be able crude rubber shipments es port.

k cargo are the secret ings potential of the truck gold in the just-ent Line vessel, the

er industry can't agree ay shipping schedules, eriment could result in on rubber brought into

experiment is a finan-her industry groups to commodities which no ot only did the Hartis-he Lakes directly, she anuts, tin, and tapioca

AENT General Tire, B. F. the details. The trial ere started loading its ended just a few days

alternate route to the e Straits to inland con-Most of the shipment—at Cleveland. But the

Lakes-wide stevedore strike that began May 16 forced diversion of the Hartismere to Detroit and added time and expense factors that lessened, but did not entirely eliminate, anticipated transport savings.

Although only a few thousand tons of rubber were carried on the experimental run, the shipment had special significance because an estimated 40% to 50% of the 500,000-plus net tons of crude rubber imported annually is consumed in the Great Lakes area.

RATE EXTENDED

Crude rubber, selling for 38¢ to 40¢ on the Singapore market, carries a \$41.50/ton ocean shipping rate from the Straits to New York. But for this test shipment, the conference rate was extended to the Lakes ports of Toronto, Hamilton, Cleveland, and Chicago.

Cost of hauling crude rubber by rail from New York to Akron is 79¢/cwt. And it is this rate area at which the companies were aiming.

From Cleveland to Akron, the truck rate is 20¢/cwt—setting up a savings potential of nearly ½¢ per pound on crude delivered in Akron. This figure looms large in the crude rubber trade where transactions often move on price fluctuations of ⅛¢ per pound.

But some subtractions still have to be made to compare the over-all costs. Inventory expense is one of them.

Straits-to-New York ocean transit time approximates 35 to 45 days, with another five days required to move rubber from the New York docks to consuming points.

In the Hartismere voyage, the complete transit time was more like 75 days, so that the Lakes shipment exceeded the East Coast route by about 30 days. That meant an estimated \$8,600 inventory carrying charge to be added to the \$2,957,000 value of the 3,100-ton cargo.

FIGURING IT STILL CLOSER

Roughly 2,000 tons of the shipment went to Akron plants. If

those 2,000 tons had come in through the port of Cleveland as originally planned, gross savings on the movement would have been roughly \$22,400—with net savings of about \$17,000 after deducting the added inventory costs (see tabulation at left).

As it turned out, unloading at Detroit added considerable trucking expense back to Akron, but the potential savings still add up to a major plus on an over-all basis.

It is still too early for any of the major rubber companies to commit themselves on the success of the trial. But it must be remembered that the first shipment encountered two factors not likely to reoccur on subsequent trips: One was the dock strike. The other was the fact that the Hartismere was a relatively slow (11.5-knot) ship. The Mid-East Orient Line had planned to use a faster (15.5-knot) vessel; so there is good reason for believing that ocean transit time could be cut by five to seven days.

THE OUTLOOK

- Consensus of rubber manufacturers in Ohio was that savings in the range of ½¢ per pound would not reduce the price of finished goods but would help in holding existing price lines. It also would affect decisions on location of future plant expansions.

- Other industry sources stress the fact that railroads, fighting to hold this sizable cargo flow, might consider rate reductions on rubber imports. The same reasoning is being applied to steamship conference rate schedules.

- What the rubber industry decides about the potential of cooperative bulk shipments will be watched closely by other shippers.

As for Akron—the question still remains whether the first rubber shipment was done economically enough to encourage the new routing. But early guessing is that it was, and that additional rubber shipments will be made this season.

Foreign Perspective

JUNE 20-26

London—Higher wages, shorter work weeks, and a gradually diminishing labor supply may mean increased prices for buyers of British goods in the months to come.

Nearly half the 714 companies that replied to a recent Federation of British Industries questionnaire say they're faced with increases in average costs/unit of production.

Despite the reported hike in number of orders, 22% of the replying companies say they'll have to raise selling prices and 28% report they'll have to cut back on production because of skilled labor shortages. Another 11% will lower output because of shortages of other labor.

Most companies blamed wage hikes and shorter working week, rather than costs of raw materials, for their own price boosts.

Tokyo—Japanese dry battery manufacturers are working day and night to meet growing demands from U.S. and Canadian buyers.

Current battery export figures indicate the Japanese will triple last year's \$3-million worth of sales to North America by the end of this year—with no quota barriers in sight as yet.

In another electrical industry race here, nine leading television set makers are hurrying to complete their production lines in order to begin commercial manufacture of color sets by mid-summer.

While export prices still remain secret, the Japanese industry is optimistic about acceptance by foreign buyers. Current predictions are for total output to reach 1,000 units/month by fall and 10,000 units/month by the end of 1961.

Havana—U.S. oil companies soon may be facing government expropriation of their refineries here if they stick by their refusal to handle Soviet crude.

While the Castro regime has not yet made any direct threats of a takeover, Oil Institute President Alfonso Gutierrez has stated flatly that the companies refusal blocked a Cuban-Russian trade pact providing for Cuban purchase of 900,000 barrels of Soviet crude this year.

Informed industry sources here now feel the government's only way around this situation at this point is to seize the Standard Oil of New Jersey and Shell Oil Co. refineries or to speed up the Cuban-owned refinery. In the latter event, Castro might have to subcontract the refining to Mexico or Brazil.

Madrid—Spanish goods may soon be flowing more freely into the U.S.

Now that Spain is a provisional member of the General Agreement of Tariff and Trades, GATT member nations must accord her the rights that go with full membership. Spain is expected to be granted full membership soon, anyway.

The Spanish government is now set to negotiate with Washington and other GATT capitals a lowering of import tariff walls against Spanish products. What this means in dollars and cents for U. S. buyers is that if 1959 imports amounted to \$78-million, Spain will be able to ship up to \$100-million in 1960.

Toronto—A 3% boost in fine paper prices may foreshadow a general price rise in Canada's pulp and paper industry.

Howard Smith Paper Mills Ltd. last week boosted prices by 50¢ to 75¢/100 lb. for a wide range of fine papers, including book, magazine, writing, coated, and miscellaneous. Canadian observers expect the move to set an industry-wide pattern.

Beirut—Governments of oil-producing countries are increasing their pressure on international oil companies in the Middle East to start buying from local representatives instead of home-country suppliers.

Two factors are behind the new trend in oil company purchasing:

- Cost-conscious Mideast states consider maintenance of oil com-

pany purchasing offices in the U.S. and Europe as a costly drain on the government's 50% share of net profits.

- Local businessmen—with a lot of political power—want a larger share of oil company business—and they no longer will be satisfied with the crumbs.

Buenos Aires—The U.S. Export-Import Bank has okayed a loan to Duranor, a new chemical firm here, enabling it to go ahead with plans to build a 25-ton/day capacity phenol plant. The loan will be used to purchase U.S.-made chemical equipment. The plant itself will be paid for by the two partners in Duranor—Hooker Chemical Co., New York, and Atanor, Compania Nacional Para La Industria Quimica.

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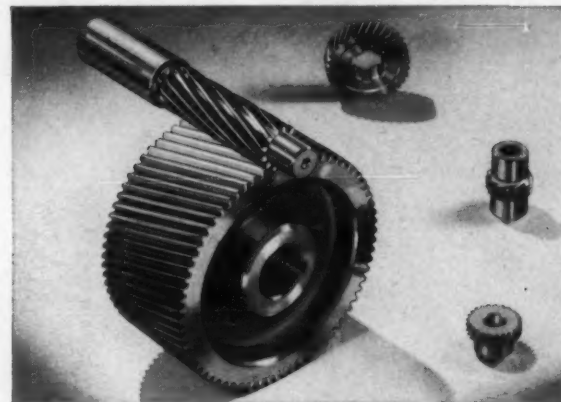
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Controls, Consumption, and Congo Make Copper Price Picture Hazy

London—Recent copper price zig-zags on the London Metal Exchange underscore the industry's biggest question for 1960—what's the supply outlook for the rest of the year?

The answer—a big one for buyers as well as suppliers—depends on these important factors:

• **BELGIAN CONGO.** The independence bandwagon will arrive in this country June 30. While officials of Haut Minière du Katanga, which produces about 7% of the world's copper, have received assurances from the new government that their mines are safe, many observers fear June 30 might be a day of upheaval which could end with the seizing of all white property.

• **U. S. CONSUMPTION.** Hard hit by incursions of foreign as well as substitute materials, the U. S. copper industry, according to Anaconda president Charles M. Brinckerhoff, already shows a 10% excess capacity—that's despite the recent strikes in Chile and the strikes in America last year.

• **PRODUCTION CONTROLS.** Most American producers, with the exception of Kennecott Copper Co., have come out flatly in favor of industry-wide production restrictions to maintain steady copper prices.

Rhodesian copper producers seem to agree, but they may take a different tack.

Rhodesian Selection Trust has come up with a plan, details of which have still not been spelled out, to break away from the London Metal Exchange, which company officials blame for the day to day price fluctuations.

At this time only Haut Minière sets its prices independently of the LME. Rhodesian Selection tried to break away in 1957, but was forced to return to the Exchange when other African mines refused to follow Rhodesian Selection's lead.

However, with Haut Minière already pricing its copper independently, Rhodesian Selection may be prepared to break away

once again. And most industry observers here feel Sir Arthur Vere, chairman of Rhodesian, would not have gone out on the limb by announcing a plan unless he already had been assured privately of support by Rhodesia's other main producer, Anglo-American.

The breakaway plan would put African companies in the same boat with American copper firms, who already set their own prices.

Canadian Pipelines Fight to Serve U.S. Market

Toronto, Ont.—Canada's giant pipelines are squaring off to fight for a multi-million dollar prize—the right to move natural gas and by-products from Alberta to U. S. and Canadian markets.

FIRST BLASTS

First blasts in the battle will be fired shortly at hearings of the Alberta Oil and Gas Conservation Board at Calgary.

Foothills Products Pipe Line Ltd., a subsidiary of Pembina Pipe Lines Ltd., will seek approval of

a \$150-million pipeline to carry gas to Chicago. Approval of the Pembina project would put the company in the dominant position in the Canadian natural gas market.

The big oil and gas pipeline companies, such as British American and Home Oil, also want a share of this market, however, and will appear before the Board asking for a delay so that they too can submit bids.

Other pipeline companies who will try to block Pembina's proposal include Interprovincial

Pipe Line Co., Trans-Canada Pipe Line, and Trans-Mountain Pipe Line.

VALUES MAY SOAR

At present the by-products which include propane and butane, have a value of about \$18-million a year. But when the gas export programs now being planned get under way next year, the output value may soar to as high as \$128-million/year by 1965 and may be worth as much as \$194-million/year by 1970.

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British Shipbuilders Seek Credit Help to End Slump

London—The British shipbuilding industry, somewhat in a slump since World War II, will get a helping hand from the government's Export-Credits Guarantee Department, backer of the current export boom in other industries.

The ECGD is studying ways to provide low-cost credit insurance to British shipbuilders. Under one plan, now under discussion by Clyde, Scotland, shipbuilders and the ECGD, credit premiums on a \$5.6-million ship would be slashed from the current \$154,000 average to as low as \$56,000.

"Clyde yards could quote even more competitive figures in the world shipbuilding markets" if the plan is accepted, said R. A. Dickinson, director of the general division of the ECGD.

If the plan goes through, he added, it might be applied to the U. K.'s other major yards.

This Changing Purchasing Profession . . .

William R. Wilson, procurement division manager, **California Div., Lockheed Aircraft Corp.**, Burbank, Calif., has been advanced to the executive training post of executive assistant to the company's executive vice president, effective July 4.

J. K. Vanatta has retired as purchasing advisor for the **Nekoosa-Edwards Paper Co.**, Port Edwards, Wis.

L. A. Woods is the new general purchasing agent for **Convair Div., General Dynamics Corp.**, San Diego, Calif. He succeeds **R. L. Donoghue**, who transferred to **Convair-Astronautics** in San Diego as general purchasing agent.

Charles T. Apt, buyer in the purchasing department of **Aluminum Co. of America's** Massena, N. Y., operations, will transfer to the company's Pittsburgh office July 1.

James Lauritzen is the new **Hoquiam City, Wash.**, purchasing agent.

D. B. Kitchel was advanced to assistant general purchasing agent of **Kaiser Steel Corp.**, Oakland, Calif. He had been purchasing agent at the firm's Fontana, Calif., works.



D. B. KITCHEL F. HUDSON HAYNOR

F. Hudson Haynor, who retired two years ago as senior buyer, central offices, Fisher Body Div., General Motors, Detroit, has joined **Calcon Mfg. Co.**, Washington, Pa., as sales manager.

Charles J. Shank was appointed district purchasing agent at **Aluminum Co. of America's** Wenatchee, Wash., reduction plant. He replaces **Stanley S. Ernest**, who transferred to the Vancouver, Wash., operations.

J. Elmo Brewer, manager stores, purchasing-stores department, **Shell Oil Co.'s** Wood River Refinery, Ill., becomes senior head office representative in the New York purchasing stores organization effective July 1.

Gerald E. Chapman was named manager of **Chrysler Corp.'s** new central purchasing office, Kokomo, Ind., transmission plant, handling buying of all nonproductive materials and supplies for all the company's Indiana plants.

J. H. Nicholson has been made technical buyer in the purchasing division, **Consolidated Mining & Smelting Co. of Canada, Ltd.**, Trail, B. C.

Robert F. Kendall has been named director of purchases by **Reliance Electric & Engineering Co.**, Cleveland. He will be responsible for over-all company purchasing policies and coordination of activities between di-

visional purchasing operations.

Leonard R. Feldman has been advanced from senior buyer to supervisor of buyers at **Leeds & Northrup Co.**, Philadelphia.



R. F. KENDALL



L. R. FELDMAN

E. W. Allison has been elected vice president in charge of all sales and marketing functions of **Detrex Chemical Industries**, Detroit.

George Strawn was appointed manager, western region, for the **Mechanical Div., General Mills**, Redondo Beach, Calif.

M. F. Grace has been made product sales manager, central heating controls, **Grayson Controls Div., Robertshaw-Fulton Controls Co.**, Long Beach, Calif.

In the World of Sales

E. L. Rimbault, Jr., was named sales manager of **Lake Asbestos of Quebec, Ltd.**, Black Lake, Quebec.

Michael J. Votava has been advanced to sales manager for the **EMCOR Ingersoll Products Div., Borg-Warner Corp.**, Chicago.

William D. Caffin joined **Wright Machinery Co. Div., Sperry Rand**, Durham, N. C., as sales mgr., motor products.

H. W. Pickett moved up to

manager, instrument and sensor system sales, **X-Ray Department, General Electric Co.**, Milwaukee. **S. T. Workman** becomes manager, radiation generators and image systems sales.

Frank J. Brundage was made New England division manager, **National Starch & Chemical Corp.**

Fred G. Lancaster, Jr., was appointed manager of **Aluminum Co. of America's** St. Louis district sales office.

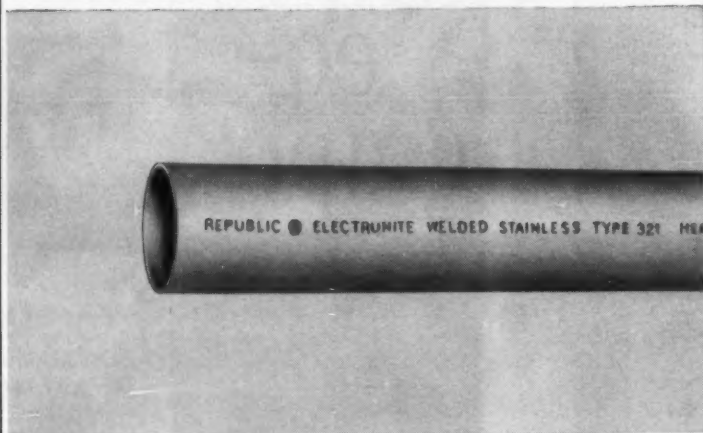
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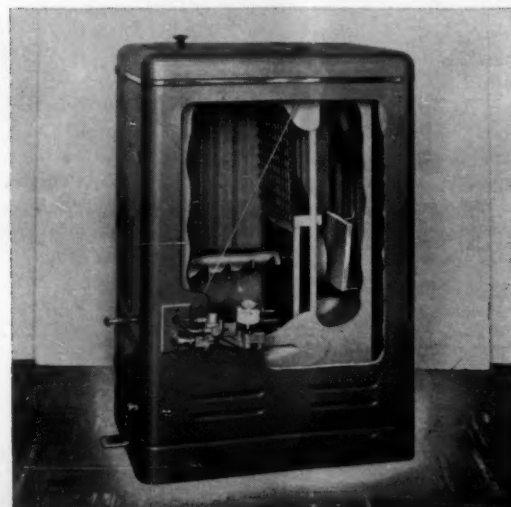
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Profitable Reading for P.A.'s

New Books

Engineering Data Processing System Design, by Arthur D. Even. Published by D. Van Nostrand Co., Inc., 120 Alexander St., Princeton, N. Y., 280 pages. Price: \$6.50.

This unique manual of information and procedure tells how to design a data processing system for the modern manufacturing plant.

It serves as an authoritative guide in converting a manual

system to a mechanized one, giving information on data processing and record-keeping mechanization. Some of the subjects covered include: designing, justifying, installing and controlling a system (includes the use of microfilm and punched cards). Also included is a set of sample forms taken from a successful system, plus a glossary of pertinent terms.

People, Problems and Profits: The Uses of Psychology in Management, by Saul W. Gellerman. Published by

McGraw-Hill Book Co., 330 West 42nd St., New York 36, N. Y., 252 pages. Price: \$5.95.

The book gives the executive a knowledge of modern psychological concepts so that he can deal with industrial and business psychologists and effectively apply their ideas to personnel problems.

Actual management situations are discussed plus the "company" personality, face-to-face management, communication, the art of making sense, personnel evaluation and guidance and other topics of interest to those concerned with the management of people.

Aids to Purchasing

Safety Maintenance

Manual describes and illustrates every approved device and product for accident prevention, fire control, maintenance and hygiene for American industry. Subjects covered include: how to set up a safety program, how to get group participation, fire safety codes, machine tool hazards and guards, high cost of accidents and more. Lists over 4,500 safety and maintenance items along with manufacturer's name and address. A copy of this

778-page book (price: \$7.50) is available from **Alfred M. Best Co., Inc.**, 75 Fulton St., New York 38, N. Y.

From the Manufacturer

Industrial Plastics

Discusses industrial plastic stock shapes, including property and application data on mill shapes of nylons, TFE fluorocarbons, chlorinated polyethers, cross-linked polystyrene, nylon pressure hose and tubing, etc. (12 pages). **Polymer Corp. of Pa.**, 2140 Fairmont Ave., Reading, Pa.

Watertight Concrete

Describes basic requirements for watertight concrete, effects of reducing water, special provision for below-grade concrete and company's product—**Pozzolith**—which is said to reduce shrinkage, segregation, etc. Bulletin P-49 (6 pages). **The Master Builders Co.**, Cleveland 3, Ohio.

Power Fuses

Discusses SMD (solid material, dropout) fuses for 34.5 to 138 kv power transformer primaries, station service auxiliary transformers, etc. Includes fuse application principles, short circuit interrupting ratings, mounting dimensions, construction, etc. Bulletin 261 (24 pages). **S&C Electric Co.**, 4435 N. Ravenswood Ave., Chicago 40, Ill.

Silicones

Summarizes the forms, properties and applications of company's line of silicones. Some products discussed are: adhesives, release agents, rubber compounds, laminating resins, etc. Provides quick reference to silicones that resist effects of heat, time, weathering, oxidation, chemical attack, etc. (16 pages). **Dow Corning Corp.**, Midland, Mich.

Industrial Products

Describes—and gives basic ratings for—company's line of air conditioning and air handling equipment, fluid drives, heat exchangers, surface condensers, steel boilers, etc. Bulletin B-5529 (24 pages). **Industrial Div., American-Standard**, Detroit 32, Mich.

Industrial Hose

Describes company's complete line of industrial hose. Includes air, water, polypurpose, welding, paint spray, booster, and farm tank. Also presents information on applications, reinforcement, tube, lengths, recommended couplings, etc. **Swan Rubber Co.**, Bucyrus, Ohio.

Pilot Lights

Gives detailed information on selection of Dialco pilot lights to accommodate the required lamp. Discusses dimensions, lens styles, finishes, optional features, mounting clearance hole, etc. (256 pages). **Handbook Dept., Diallight Corp.**, 60 Stewart Ave., Brooklyn 37, NY.

Springs

Lists over 750 springs including compression, extension, and instrument types. Contains complete engineering data and prices for all sizes (20 pages). **Lee Spring Co.**, 30 Main St., Brooklyn, N. Y.



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Bay Products Division, 1801 W. Cambria St., Philadelphia 32, Pa. (PW, 6/20/60)



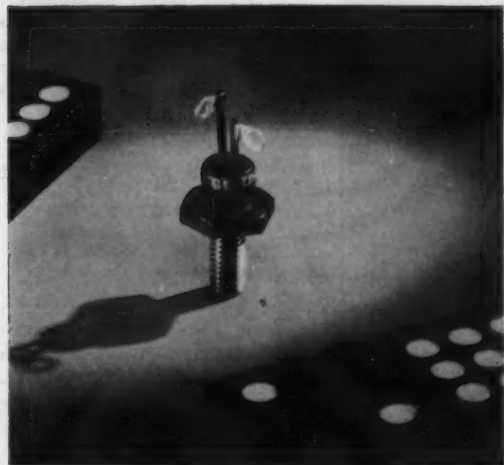
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Crown Industrial Products Co., Dept. PW-7, 1005 Amsterdam St., Woodstock, Ill. (PW, 6/20/60)



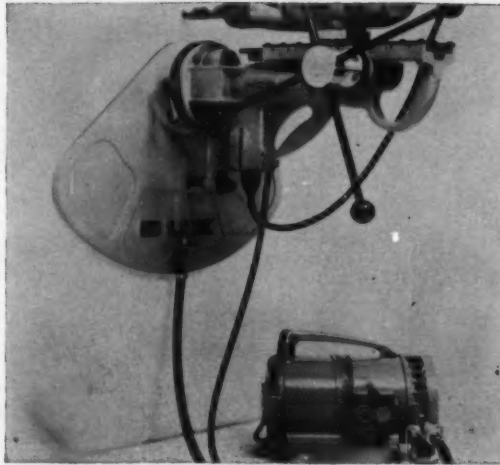
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General Electric Co., Electronics Park, Syracuse 1, N. Y. (PW, 6/20/60)



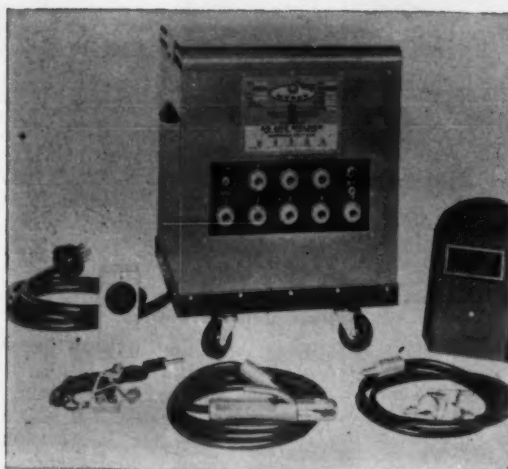
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Bux Magnetic Products, Inc., 1355 N. 10 St., San Jose 12, Calif. (PW, 6/20/60)



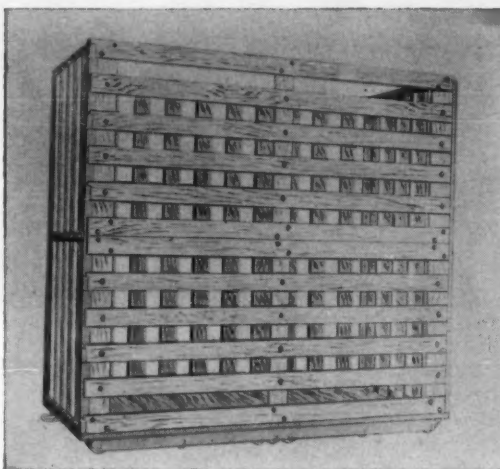
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Metal & Thermit Corp., General Offices, Rahway, N. J. (PW, 6/20/60)



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Nutting Truck and Caster Co., 1201 W. Division St., Faribault, Minn. (PW, 6/20/60)



Lifter

Moves Heavy Sheets

Aluminum lifting device has 4-in. wide neoprene cups to lift and move sheets or components of metal, plastic, fiber, glass, linoleum, or other smooth-surfaced material. The cups have no metal on the inside, and will not mar surfaces.

Price: \$5.50. Delivery: immediate.

Safety Vacuum Lifter Co., 321 Elm St., Trenton 10, N. J. (PW, 6/20/60)



Case

Stores Micrometers

Wooden case stores 6 micrometers up to 6 in. long, 6 micrometers from 6 to 12 in. long, or 12 micrometers up to 12 in. long. Box is made of mahogany and fine-grain hardwoods and is available in 3 different models.

Price: \$18 to \$41. Delivery: immediate.

J. T. Slocomb Co., 65 Matson Hill Rd., So. Glastonbury, Conn. (PW, 6/20/60)

New Products

Another PURCHASING WEEK service: Price and delivery data with each product description.



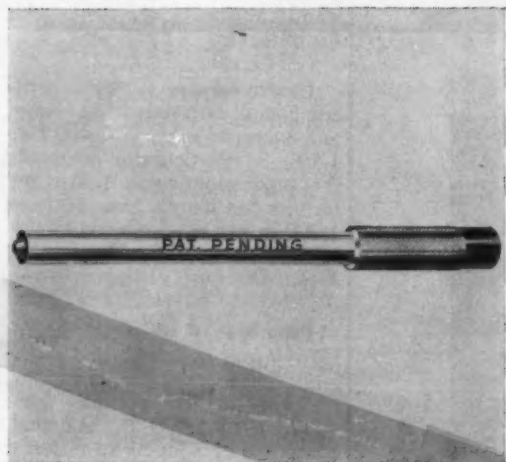
Punch

Makes Holes In Paper

Punch handles round hole drilling and cornering needs of offices and duplicator departments. Pressure on the control pedal causes paper drill to lower hydraulically. Machine can drill 3 holes in a ream of stock in less than 15 sec.

Price: approx. \$700. Delivery: 3 wk.

Challenge Machinery Co., 1943 Thomas St., Grand Haven, Mich. (PW, 6/20/60)



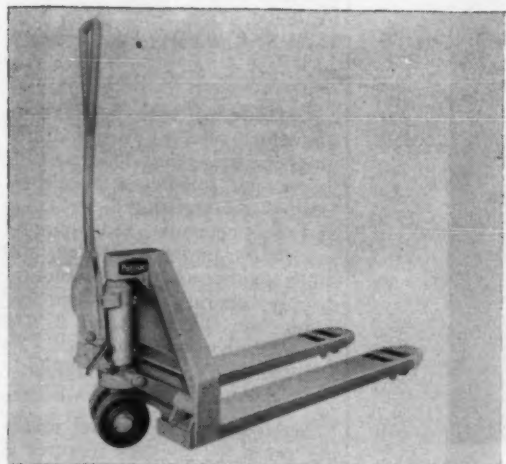
Punch

Removes Pins

Punch quickly removes spring or roll pins. To eliminate damage to pins or hole walls, the punch has a pilot point which fits the hollow center of a pin. Devices come in 12 sizes, from $\frac{1}{16}$ in. to $\frac{1}{2}$ in., to match standard pin diameters and maximum lengths.

Price: 85¢ to \$1.95. Delivery: immediate.

Mayhew Steel Products, Inc., Shelburne Falls, Mass. (PW, 6/20/60)



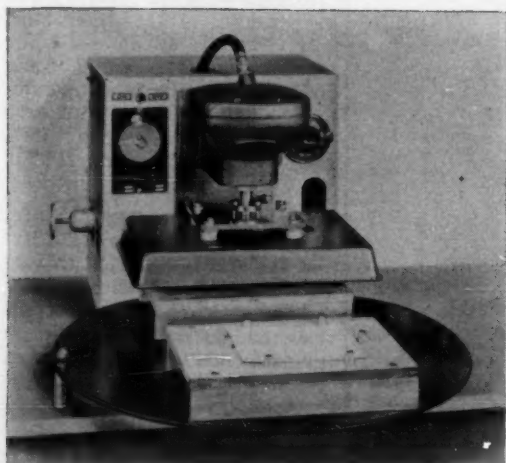
Pallet Truck

Holds 2,200 lb.

Hand pallet truck has a capacity of 2,200 lb. and features forks that raise from $3\frac{1}{4}$ in. to $7\frac{3}{4}$ in. Booster rolls at ends of forks ease pallet entry. Widths available are 21 in. and 27 in., with fork lengths of 32 in., 36 in., 42 in., and 48 in.

Price: \$365. Delivery: 3 wk.

Raymond Corp., 108-182 Madison St., Greene, N. Y. (PW, 6/20/60)



Sealing Machine

Handles Plastic Blisters

Machine recommended for the blister packaging of short-run items and samples seals blisters up to 6 in. by 8 in. by 3 in. The compact device requires a bench area of just 18 in. by 25 in., and runs on 110 v., 60-cycle current and a small amount of compressed air.

Price: \$525. Delivery: 2 to 3 wk.

Erdco Engineering Corp., Addison, Ill. (PW, 6/20/60)

This Week's

Product Perspective

JUNE 20-26

• There was a time when the term "welding" meant one of two things—arc welding or an oxygen acetylene torch. But now these two old stand-bys of the metalworking field have been joined by over a dozen new processes. Most of them are specialties—developed to do jobs the other processes couldn't do—but they promise to revolutionize the welding industry.

John J. Chyle, director of welding research at A. O. Smith Corp., recently took a hard look at the newer processes. Here's how this expert sizes up the new techniques:

• **ULTRASONIC**—Uses energy of high-frequency sound waves to make both spot and seam welds. Metals difficult to join by conventional methods (such as stainless steel, molybdenum, zirconium, Inconel, tantalum and titanium) can often be welded ultrasonically. The process also can be used to join dissimilar metals—such as copper to aluminum.

Present technology limits process to joining light-gage or thin sheet materials. Recent tests have been made in sheet-metal thicknesses to 0.090 in. New developments are expected to increase the thickness range—opening new jobs to ultrasonics.

• **HIGH FREQUENCY RESISTANCE**—Uses high-frequency electrical energy to heat metal. Alternating current (generated up to 450,000 cycles/sec.) is connected directly to the work by means of contact electrodes. The resulting so-called skin effect produces localized high-intensity heating. High speeds to 1,000 fpm can be obtained in light-gage materials (0.012 in. thick). Process can be applied to tubing, strips, T-shapes, etc.

• **FOIL SEAM**—New process developed in Germany is used where high-speeds and freedom from distortion are important. It is a resistance welding process and makes butt-type joints on flat strips or sheets. It welds a foil on either the top or bottom of both surfaces to cover the butt joint. Speeds from 8 to 24 fpm on 0.087 in. stock can be attained. The joints are flat and require little, if any, final dressing of the weld metal.

• **MAGNETIC FORCE**—Synchronizes pressure of welding electrode with magnetic force created by welding current. The magnetic-force welder is generally a conventional direct-acting piston or ram-type welder specially redesigned to exert the needed pressure. This technique can be used to weld high-conductivity metals to each other, and also to carbon steels.

• **PERCUSSION**—Newly developed resistance welding process in which the weld is made in an extremely short time over the entire area of the metals to be joined. The weld can be made by a rapid discharge of electrical energy from a stored-energy source or by drawing a high current from a standard 60-cycle source. The part to be welded has a small pinpoint type of projection formed or coined into it. The projection is instantaneously vaporized upon contact during the downward movement of the electrode. The process produces a high-quality weld over a large contact area with relatively small-capacity machine. This technique looks especially promising for attaching small parts to very thin sections.

• **FRICTION**—Developed in Russia, the process uses heat produced by friction of rapidly moving parts. In initial tests, the parts were held and rotated in a lathe that was modified to apply pressure. Chucks hold the parts in line with the horizontal axis—one part rotates while the other is held stationary. Pressure is applied to generate enough heat to fuse the parts. The process has high speed with low power requirements, but is presently limited to cylindrical parts that can be rotated.

• **ELECTROSLAG**—Fusion of the electrode wire and the parent metal takes place in and under a molten slag bath that covers the metal bath from which the weld is formed. The electrode wire is immersed in the liquid slag. This process is used primarily for welding heavy sections, and can be used for plates ranging from 2 to 12 in. thickness.

• **ELECTRON-BEAM**—Uses electrons to melt the metal. The electrons are emitted from a tungsten-wire filament, and accelerated by a high-voltage potential between the cathode and anode (the workpiece). The process works only in a vacuum and gives a high-precision weld without contaminating the base metal. Chief application: joining reactive and refractory materials—including space-age materials.

• **ARC PLASMA**—A gas (usually inert) is passed through a chamber in which an arc is maintained. The electron flow ionizes the gas raising it to 10,000 to 30,000 F temperatures. The heated gas is then fed through a water-cooled torch. Plasma torch is presently used for spraying metals and refractory materials. The process has vast potential for future fusion welding applications.



Pallet

Holds 4,000 lb.

Pallet, 42 in. by 60 in., handles up to 4,000 lb. of irregularly shaped items. Legs have no nuts, bolts, or other fasteners, are engineered to slip easily into place, and are available in a variety of lengths for stacking at different heights.

Price: \$35. Delivery: 3 wk.

Johnson-Flaherty, 5801 District Blvd., Los Angeles 22, Calif. (PW 6/20/60)



Brazing Torch

Works Instantly

Brazing torch burns acetylene gas and atmospheric air to give 4,000 F flame at torch tip to perform silver-soldering, brazing, soft-soldering, and heating jobs. Switch uses battery-run circuit to ignite torch instantly. Release of switch immediately puts out flame.

Price: \$24.95. Delivery: 60 days.

Prest-O-Matic Co., Inc., P. O. Box 531, Costa Mesa, Calif. (PW, 6/20/60)

TWA THE SuperJet AIRLINE offers you two great cargo services!



Ship coast-to-coast and overseas on TWA Super Sky Merchant Fleet

Overnight flights between New York, Chicago and Los Angeles spearhead TWA's all-cargo Super Sky Merchant service. Early morning deliveries in Chicago and Los Angeles. In New York... direct connections with Super Sky Merchants to major trade centers of Europe. Also, daily service to Philadelphia, Pittsburgh, Columbus, St. Louis, Indianapolis, Kansas City and San Francisco. For profitable all-cargo flights, specify TWA Super Sky Merchant Fleet!



TWA Jet Freight... across the U. S. and Overseas!

Speed your shipments at home or abroad with TWA Jets and giant TWA SuperJets! Immense cargo capacity...10,000 lbs. each! And only TWA offers Jet Freight service to European trading centers from major U. S. markets... San Francisco, Los Angeles, St. Louis, Chicago, and New York. TWA's Jet Fleet and Super Sky Merchant Fleet serve 70 U. S. cities, 23 world centers. And almost anything goes by TWA... often at less cost than by surface.

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THE SUPERJET AIRLINE*

Call your freight forwarder or nearest TWA Air Freight office

*TWA THE SUPERJET AIRLINE is a service mark owned exclusively by Trans World Airlines, Inc.

Product Briefs

Portable magnifying viewer has 6 in. by 6 in. acrylic lens, and is recommended for use in the assembly of miniature parts. For adjustment, the device features spring-loaded support arms and friction collar joints with knurled nuts. Lens and light are suspended on a 1/2 in. tubular steel stand. Fostoria Corp., Dept. 33, Fostoria, O.

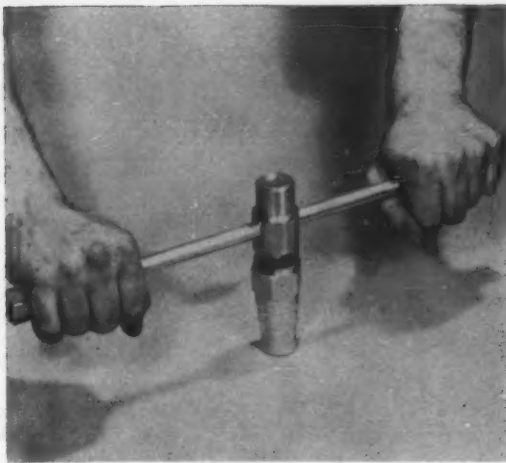
Hearth furnace performs hardening and carbo-nitriding within and operating range of 1,400 F to 1,800 F. Particularly adaptable for processing small parts, the furnace can handle from 50 lb to 1,200 lb. per hr. Sunbeam Equipment Corp., 180 Mercer St., Meadville, Pa.

Ring seal of all-metal design, for nonsplit hydraulic and pneumatic linear-motion applications, performs at temperatures from -425 F to 1,500 F. The seal, composed of a metal lip fastened in a stainless steel ring, is recommended for hydraulic actuators, as well as for static seal and swivel joint applications. Bore diameters from 1/2 in. to 7 in. are available. Gits Bros. Mfg. Co., 1866 S. Kilbourn Ave., Chicago 23, Ill.

Cathode-ray tube has 7 1/2 in. diameter screen and features magnetic focus and deflection for flying spot scanner applications. Unit is recommended for color and monochrome video signal generators, photo recording, and other scanner and high resolution display operations. Electronic Tube Sales Dept., Allen B. Du Mont Laboratories, Inc., 750 Bloomfield Ave., Clifton, N. J.

Semi-automatic transfer molding press for plastics features a horizontal turntable with two identical lower mold halves at opposite ends. Design enables the operator to load inserts in one mold half while the press is molding material in the other mold half. Motions of the press are sequence-controlled, and occur automatically after the operator presses the start button for each cycle. F. J. Stokes Corp., 5500 Tabor Rd., Philadelphia 20, Pa.

High-vacuum system produces a low ultimate pressure of 2×10^{-6} mm Hg and is designed to vacuum coat transistors, capacitors, resistors, mirrors, and other devices, and to perform studies in environmental testing, outgassing, crystallography, and metallurgy. Consolidated Vacuum Corp., 1775 Mt. Read Blvd., Rochester 3, N. Y.



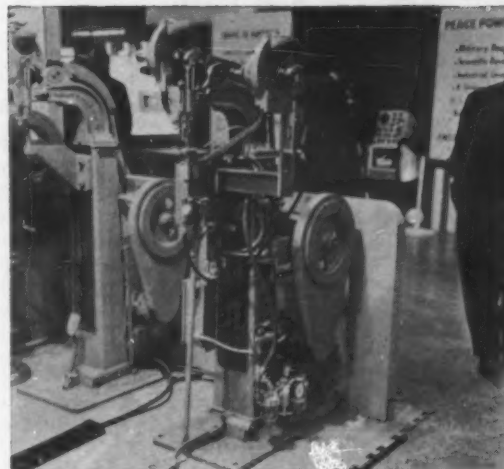
Stud Extractor

Works by Hand or Wrench

Stud extractor and driver, for hand or power operation, has collet-type studder for automatic positive gripping. Collet sizes are interchangeable, and a collet may be changed in less than 30 sec. Stud depth into collet is fully adjustable.

Price: from \$43. Delivery: immediate.

E. V. Nielsen, Inc., 575 Hope St., Stamford, Conn. (PW, 6/20/60)



Riveting Machine

Works Fast

Riveting machine automatically feeds and sets male and female cutlery or compression rivets after compression of foot treadle. Unit assembles cutlery at a cycle speed of 1 sec., and includes an auxiliary hand valve for use when operator wants to feed in female rivets individually.

Price: \$3,025. Delivery: 12 wk.

Tubular Rivet and Stud Co., Quincy 70, Mass. (PW, 6/20/60)

Product Briefs

Reinforced sealing tape closes boxes containing unusually heavy loads, and handles other heavy-duty closure needs. The material is especially designed for use with higher test grade double-wall and triple-wall boxes. *Atlantic Gummed Paper Corp.*, 1 Main St., Brooklyn 1, N. Y.

Background music package integrates into new or old sound distribution systems. The package includes long-play tape decks, amplifiers, speakers, and an extensive music library. *Stromberg-Carlson Div., General Dynamics Corp.*, 100 Carlson Rd., Rochester 3, N. Y.

Convection-cooled regulated power supplies use solid state components and have no blowers. Available in 5 and 10 amp., 0 to 34 v. dc output ranges, the devices are rated for continuous performance at full load up to 122 F ambient temperature. *Lambda Electronics Corp.*, 11-11 131 St., College Point 56, N. Y.

Heavy-duty drill, available in sizes from 1/4 in. to 3/8 in., works on wood, metal, brick, cement block, or plastic, at speeds ranging from 750 rpm. to 5,000 rpm. *Porter-Cable Machine Co.*, 1724 Marcellus, Syracuse, N. Y.

Jig drilling machine produces programed hole patterns and bolt circles in condenser tube sheets up to 10 ft. square. Vessels longer than 10 ft. may be handled when the part is indexed horizontally and floated in the correct zero setting for tape programming. *Walter P. Hill, Inc.*, 22183 Telegraph Rd., Detroit 19, Mich.

Contact printer for darkroom use exposes photographic contact proof paper at a rate of 16 ft. per min. Electrically run unit handles 14-in. wide negatives of any length. *Reproduction Engineering Corp.*, Essex, Conn.

Miniature servo contains solid state amplifier, servo motor, gear train, and a special potentiometer-switch combination only 1/2-in. long. The servo accepts d-c signals varying between ± 10 v., and can drive a variety of components, resolvers, tachometers, and switches. *Spectrol Electronics Corp.*, 1704 S. Del Mar Ave., San Gabriel, Calif.

Gate valve has flexible wedge disk. Available in 150-lb. and 300-lb. models, the valve is recommended for service in oil refineries and in power, chemical, paper, and other industrial plants. *Crane Co., Industrial Products Group*, 4100 S. Kedzie Ave., Chicago 32, Ill.



Electric Trucks REDUCE NOISE LEVELS

Quiet operation of battery-powered electric trucks eliminates distraction and annoyance to workers performing other production work. Quiet operation is an outstanding advantage when it is necessary to give verbal instructions to truck operators or to signal them by a dispatch system. Finally, quiet battery-powered electric truck operation is a valuable safety factor—the operator can concentrate better on activity around him.

Add quietness to a convincing list of other benefits—lower operating cost, less maintenance, clean and safe operation—and you can see why users prefer electric trucks for modern, efficient materials handling.

Electric truck users generally agree on one other point, too—Gould Batteries for longer life. With the vital new Silconic Plate, Gould Batteries offer up to 25% longer life through prevention of grid corrosion.

Join the list of satisfied users who prefer this ideal combination of battery-powered electric trucks and Gould Batteries. For more complete information, write or call the local Gould representative nearest you. Ask for booklet "Why We Use Battery-Electric Industrial Trucks." Gould-National Batteries, Inc., Trenton 7, N. J. In Canada, write to Gould-National Batteries of Canada, Ltd., 1819 Yonge Street, Toronto, Ontario.

More Power to you from **GOULD**



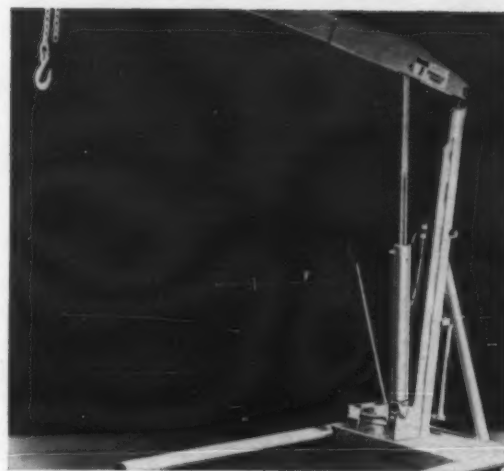
Meter

Reads pH Values

Portable meter reads pH values within .02 pH. The device features a single operating control, and has a newly-designed polyethylene electrode probe to perform sample reading on the production line or in the laboratory.

Price: \$145. Delivery: immediate.

Analytical Measurements, Inc., 585 Main St., Chatham, N. J. (PW, 6/20/60)



Crane

Is Flexible

Manually operated one-ton capacity hydraulic floor crane allows one man to lift, transport, and flexibly position load in a single operation. Four models are available, including a convertible floor/truck unit. Each features a two-speed hydraulic control valve.

Price: \$399.50 to \$750. Delivery: immediate.

Ruger Equipment, Inc., 144 W. 4 St., Uhrichsville, Ohio. (PW, 6/6/60)

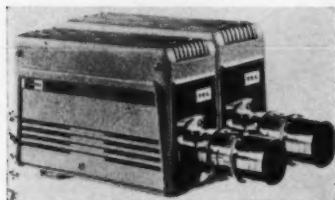
Kin Tel Develops 3-D TV to Handle Dangerous Matter

San Diego, Calif.—A new three-dimensional closed-circuit TV system, said to be the first available commercially in the U. S., has been developed by the Kin Tel Div. of Cohu Electronics, Inc.

Chief use of such a 3-D system is to observe radioactive or other dangerous materials that must be handled remotely through such devices as "iron hands." With such a system, the operator can manipulate these materials accurately from distances as great as 1,000 ft. from the danger area. While this is the most obvious application, the 3-D unit also may be useful in any number of intricate productions or test operations.

The 3-D system consists of two standard Kin Tel closed-circuit TV cameras and a console housing two monitors, two camera control units, and a simple polarized optical system.

The optical system presents the overlapping images from each camera on a single viewing plane, with one image polarized horizontally and one polarized vertically.



CAMERAS designed for 3-D TV—top units for regular conditions, bottom for severe environments.

cally. Observation of this image through glasses or a viewing hood with horizontally and vertically polarized lenses provides a true 3-D picture.

The standard monitor/control console employs 14-in. monitors, but Kin Tel can supply systems with monitors from 8 in. to 27 in. Remotely controlled zoom lenses, pan-tilt units, and a variety of other standard Kin Tel TV system accessories can be used with the 3-D system to increase its versatility and usefulness.

The standard system, with fixed focal length lenses, sells for approximately \$9,500. Delivery is 6 weeks.



These fluorescent lamps may look alike...

but only the Westinghouse Lamp has six

Despite similar appearance and ratings, these fluorescent lamps are *not* the same. One is a better lamp—and a better buy—because it's the only fluorescent lamp with all 6 advances described below. That lamp is made by Westinghouse. It costs you no more than any other leading brand—but it will give you years of trouble-free, efficient lighting.

1. **MORE EFFICIENT PHOSPHORS**—A special Westinghouse process selects Ultralume™ phosphor particles of a

size proven to give more efficient lighting.

2. **BRIGHTER END TO END**—Lead wires are plated with super-hard Chrome Vanadium to make sure Westinghouse tubes *stay* bright, end to end.

3. **BUILT-IN "SHOCK ABSORBERS"**—Specially designed Westinghouse anodes act as buffers to cushion the terrific shock of electron bombardment and improve lamp life.

4. **"RAINCOATS" FOR RELIABLE STARTING**—Silicone "raincoats"



Soap Dispenser

Has Plunger

Plastic and metal dispenser for powdered soap has plunger to adjust amount of soap to be ejected. Used with standard powdered soaps, the model can dispense 5,000 strokes of soap before refilling is needed. The unit comes in standard colors of bronze or gray.

Price: \$7.95. Delivery: immediate.

20 Mule Team Products, 630 Shatto Place, Los Angeles 5, Calif. (PW, 6/20/60)

Purchasing Week Definition

Valves

A valve is an instrument that controls and stops the flow of any liquid or gas conveyed through pipes. Most valves are made of brass, iron, or steel. Brass and plastic valves are used to resist corrosion. Cast iron is the normal material for valves in sizes of 2-in. or more—except for extremely high-temperature or high-pressure applications, where cast or forged steel valves perform better. Basic types of valves are:

• **Globe valve.** Preferred for throttling service, the globe valve forces a disk down against the seat, or into the seat opening, for closure. When the disk is removed, the valve opens.

• **Gate valve.** A flat-faced disk slides at right angles over the seat port for closure of a gate valve. Not recommended for throttling, a gate valve should be kept either tight shut or wide open. Chief advantage is a clear unobstructed opening, which results in a low pressure drop through the valve.

• **Check valve.** Permitting fluid flow in one direction only, check valves work automatically and come in two designs: swing and lift. A check valve can prevent dangerous backflow when one line supplies two or more fluids to the same point at different pressures. (PW, 6/20/60)



important advances that make it a better buy!

disperse moisture which can collect on exterior surfaces and prevent lamps from starting.

5. **MIXED GASES**—Westinghouse uses a precise mixture of certain rare gases, under exact pressure, to improve the light output.

6. **TRIPLE-COILED ELECTRODES**—To protect electrodes from the sudden electron bombardment when the lamp is first turned on. Emission material is quickly heated, fully protected.

Regardless of the type or wattage of fluorescent lamps you buy, you will get better value, more light for your money, and longer, trouble-free service if you specify and insist on Westinghouse fluorescent lamps. Westinghouse makes a complete line, from tiny 4-watt lamps for instrument lighting to the giant 96-inch Super-Hi™ Lamps for store, street, and factory lighting. Contact your authorized Westinghouse lamp agent or nearest Westinghouse sales office.

YOU CAN BE SURE...IF IT'S **Westinghouse**
WESTINGHOUSE LAMP DIVISION, Westinghouse Electric Corporation, Bloomfield, N. J.



MITTENS FOR FILING are too hot in the summer, but show how new magnetic tab cards can "fan out."

Magnetized Cards Pop Up at a Touch For Easy Finding

Skokie, Ill.—Business Efficiency Aids, Inc., has developed automatic tab filing cards with a built-in magnetic action that it says will greatly speed up finding and filing.

At a touch of the file clerk's hand 20 or more cards fan-out showing the top edges in the tray at any point of reference.

NO MODIFYING NEEDED

Called Magne-Tabs, the cards are designed for use in present automatic sorting and punching machines—without the need of modifying the equipment. The cards work just like conventional tab cards in automatic filing systems.

Purpose of the new product is to remove the bottleneck in automatic tab systems—file clerk fatigue. Business Efficiency says that Magne-Tab has solved the problem by removing the need to sort through stacks of cards to find the right one.

Globe Plans Production Of New Metal Abrasive

Mansfield, Ohio—Globe Steel Abrasive Co. will produce a new metal abrasive here by midsummer that it says will cost 15% less than conventional steel abrasives.

The product, called Globite, will be sold in both shot and grit form, and is said to equal steel varieties in hardness and resistance to breakdown. The company did not disclose the composition of Globite, but said it will be competitive with the less expensive metal abrasives now on the market.

don't buy Teflon* blindfolded

!



In most cases, internal flaws in Teflon TFE-fluorocarbon stock shapes don't show up until it's too late... until an insulator cracks or a critical part fails. You can prevent this by buying only Teflon of known internal quality and uniformity.

Ultrasonic testing, a new, exclusive Polymer quality control, guarantees you this uniformity.



Polymer's ultrasonic testing device quickly detects voids and internal flaws which ordinarily would pass even the closest inspection.

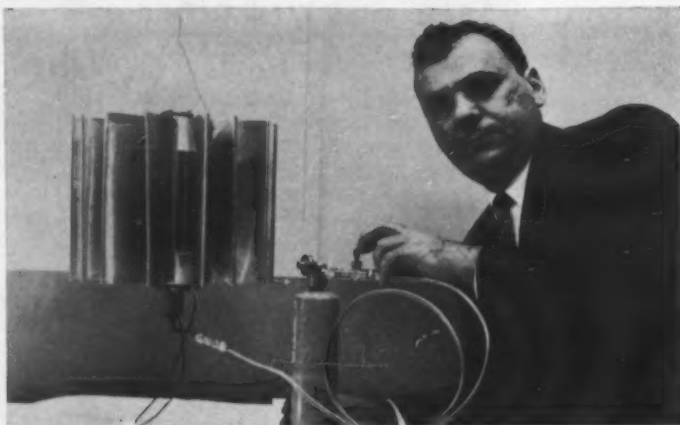
That's why, when you specify POLYPENCO® you can be sure you get TFE stock shapes with constant electrical and physical properties so necessary for end-product reliability and efficient, waste-saving production.

A complete line of POLYPENCO TFE shapes is available from stock points throughout the country. Call or write today for fast delivery or engineering assistance.



**THE POLYMER CORPORATION
OF PENNSYLVANIA**
Reading, Pa.

*DuPont Trademark for fluorocarbon resins



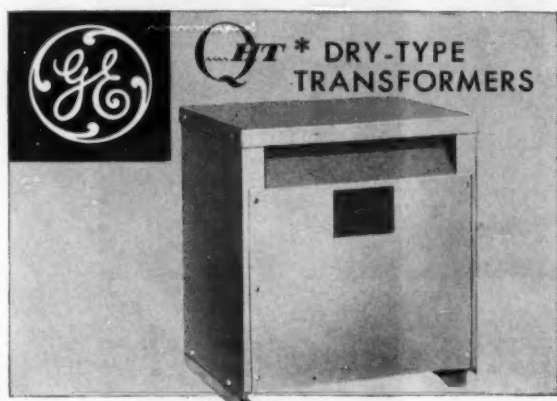
THERMOELECTRIC GENERATOR automatically converts heat of burning propane gas into electricity. This 10-lb. unit will run unattended for a year on \$10 worth of fuel and is available on commercial market.



"EVERYTHING HINGES ON HAGER!"

We'll make **IT** for you! For standard (5,000 different types and sizes) or special hinges, write or wire: C. Hager & Sons Hinge Mfg. Co., Victor & "I" Street, St. Louis 4, Mo.
In Canada, Hager Hinge Canada Ltd., Kitchener, Ont.

Founded 1849, Every Hager Hinge Swings on 100 Years of Experience



Complete Line of Dry-type Transformers

Quiet High-Temperature units are designed for general light and power service, 600 volts and below. They are available in standard ratings of 1/2 to 500 kva, single- and three-phase, including buck-boost and autotransformers. These transformers have silicone impregnated insulation and low sound levels for industrial and commercial building applications.

*Reg. trademark of General Electric Co.

FREE BULLETIN For more information, request publication GEC-1047. General Electric Company, Section 413-01, Schenectady 5, New York.

GENERAL ELECTRIC

Thermoelectric Conversion Emerges From the Lab and Enters the Market

New York—Thermoelectric conversion now moving out of the lab stage (see P.W. May 9, '60 p. 25), is getting into some hot competition for the commercial market.

Two companies are touting "the most efficient" heating-cooling thermoelectric modules for commercial use, and a third manufacturer is marketing a propane gas electric generator for "power with no moving parts."

General Thermoelectric Corp., a new company formed by General Devices of Princeton, N. J., and Needco Cooling Semi-conductors Ltd. of Canada, is offering a module made from a new quaternary semiconductor called Neelium. Modules (which can be made the size of a button) are the metallic parts in a thermoelectric system that turn electric current into heating or cooling.

DOUBLES AS AIR CONDITIONER

A relatively small module unit built into the walls of a building can double as an air conditioner or heater. A switch reverses the current and changes one to the other.

General Thermoelectric's marketing program, according to John F. Brinster, president, is aimed at getting manufacturers to incorporate the new device into their heating and cooling systems. The modules are called Frigistor. They'll sell for \$258 each.

Bismuth telluride modules are being offered in production quan-

ties by Materials Electronic Products Corp., Trenton, N. J., as "the most economical for cooling volumes up to four cubic feet." Materials Electronic Products hopes to get a market foothold in portable refrigerators, home water coolers, and car air conditioners.

FROM HEAT TO ELECTRICITY

General Instrument Corp. is offering a thermoelectric generator that converts the heat from burning propane into electricity. The device, 1 ft. high and weighing only 10 lb., will put out 5 watts of power steadily for about a year on a 200 lb. tank of gas, company officials said.

The power plant, which looks like a model mill wheel, has a burner at its center. The burner maintains a constant temperature and operates at 85% efficiency. A metal combustion chamber captures the heat and sends it on to the "thermopiles" of semiconductor elements, where it is turned into electricity. Heat not used is conducted to the surrounding heat rejection fins, which give the unit a paddle wheel appearance.

Projected uses of the generator, the firm said, include unattended buoys, remote radio relays, and automatic pipeline instruments. The unit already has landed a government contract as an "unmanned source of power," the company said. When it's in large-scale production, it will sell for about \$500.



SERVE VOLUME FEEDING NEEDS WITH ROYAL

Only Royal gives such flexibility, such utility, such completeness, such quality. Write today for illustrated information about the dozens of items in our cafeteria seating and table line. Illustrated above: 836 side chair, 801 square-tube leg table, and 753 counter stool.

ROYAL METAL MANUFACTURING CO.,
Dept. 53-F, One Park Ave., N. Y. 16, N. Y.

Please tell me more about the most complete line of cafeteria furniture.

Name _____
Firm _____
Address _____
City _____ Zone _____ State _____

Royal
CAFETERIA FURNITURE



ELECTRIC TRUCK developed by Cleveland Vehicle Co. has capacity of 430 cu. ft. Batteries can run up to 65 miles without recharging.

New Electrode Increases Light and Lasts Longer

Bloomfield, N. J.—Westinghouse is incorporating a new electrode in its mercury lamps that it says will give 20% more light with no increase in power consumption.

REDUCES BLACKENING

Originally tested in a 400-watt lamp, the new "Life-guard" arc tube, which reduces blackening, will now be used in 175, 250, 425, 700 and 1000 watt models. Lamps with the new construction have a rating of over 40% longer useful light.

Most present-day electrodes use thorium to prevent rapid vaporization of the tungsten coil. Westinghouse uses a new design that shields the electrode from the arc discharge, protecting it against erosion. Less material is therefore deposited on the quartz arc tube during burning—leaving the tube free to pass more light.

Gordon W. Howson, Westinghouse lamp division large lamp marketing manager, said laboratory tests at the end of 10,000 hours of use showed that 400-watt mercury lamps using the

new arc tubes still produced approximately 85% of their initial lumens. Lamps using the older type had lost almost 40%.

'WEATHER DUTY' BULBS

The new lamps with "Life-guard" arc tubes have another important feature, Howson pointed out. They are made with "Weather Duty" outer bulbs, which will not break when splattered with water and will not craze or crack when exposed to industrial fumes that cause ordinary glass to deteriorate.

Fast Film Process Develops Movies While You Shoot

Syosset, N. Y.—The "60 second" still camera has been joined by "picture-in-a-minute" movie film. Specialties, Inc.'s "Rapromatic" developing process has a standard roll of movie film ready for viewing in 60 seconds.

The process makes the negative only, but can be used for photo instrumentation, monitoring TV, and motion picture data recording.

Results are said to be as good as fast commercial development and cost about the same. The developer roll, which is mounted along with regular film in a standard movie camera magazine, works as the film is shot. A roll can be shown a minute after the last few feet run out.

The developer has to match the particular film emulsion being used. At present Specialties offers two different kinds of Raproroll: one to process Eastman Kodak Plus X, and the other to develop Dupont 931.

The film is not permanent after a monobath dousing, but must be treated with a permatizing solution within 30 days after exposure or the picture will fade.

Raprorolls packed in aluminum foil have a shelf life of a year, according to the manufacturer. Extremes of low or high temperature have no effect on the solution, although the producer recommends a developing temperature of 70 F.

Where Can I Buy?

Some products are easy to locate, others difficult. Perhaps you can help one of our readers who knows exactly what he wants, but doesn't know where to get it. And keep in mind that you can make use of this **PURCHASING WEEK** service at any time.

While you are answering our reader's request, would you also send us a carbon copy of your answer?

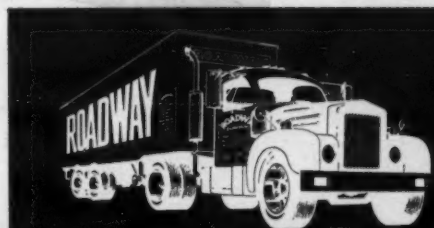
"Can you tell us where we can buy rubber or plastic rings that fit into the holes of a communion glass holder. These glass holders are made of wood and are attached to the back of the pews."

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EASTERN NEW YORK ASSN.'s new officers include: (l-r) J. Burton Montgomery, General Aniline & Film Corp., Rensselaer, 1st v.p.; William C. Bryant, Jr., National Commercial Bank & Trust Co., Albany, treas.; Austin A. Woodward, Woodward Co., Albany, pres.; Robert C. Dawes, General Electric Co., Schenectady, sec.; Clarence E. Anderson, Ford Motor Co., Green Island, nat. dir.; Mark B. Patten, Jr., Behr-Manning Co., Troy, 2nd v.p.

Association News in Brief

Los Angeles

Los Angeles—William Broker, Gough Industries, Inc., was installed as president of the Los Angeles Assn.

Other new officers include: William O. Hokanson, Noland Paper Co., first vice president; Harlan E. Eastman, Beckman Instruments, Inc., second vice president; Rex C. Hensel, Shell Oil Co., secretary. Past president C. S. Perkins, Union Oil Co. of California, became national director.

Named directors for two-year

terms were: Howard Cagle, Carnation Co.; Robert Edmiston, Fluid Packed Pump Co.; H. J. Kashare, Los Angeles Department of Water & Power; Monte C. Vinyard, Southern California Gas Co.

Connecticut

New Britain, Conn.—Ezra J. Kihlgren, Emhart Mfg. Co., Hartford, has taken over as president of the Connecticut Assn.

Also elected to head the group were: Maxwell D. Coe, Stanley Works, New Britain, first vice president; James E. Steele, United Illuminating Co., New Haven, second vice president; Burdon G. Lowe, Risdon Mfg. Co., Naugatuck.

Detroit

Detroit—The Detroit Purchasing Agents' Association has elected Charles R. Seymour, divisional purchasing agent for Allegheny Ludlum Steel Co., as president for the coming year.



C. R. SEYMOUR

Other officers who will take over their new posts on August 1 include: William A. Starret, purchasing agent, General Motors Technical Center, first vice president; Wilbur J. Pierce, supervisor staff services, purchasing department of Detroit Edison, second vice president; Fred G. Pape, purchasing agent, Wessels Co., treasurer.

Tennessee

Bristol, Va.—Robert A. Woodham, Tennessee Eastman, heads the slate of new TenneVa Assn. officers.

Serving with him are: Robert Coe, Mead Corp., vice president; James O. Moore, Blue Ridge Glass Corp., secretary; W. P. Klutinis, Slip-Not Belting Corp., treasurer; Ralph McCoy, Kingsport Press, national director.

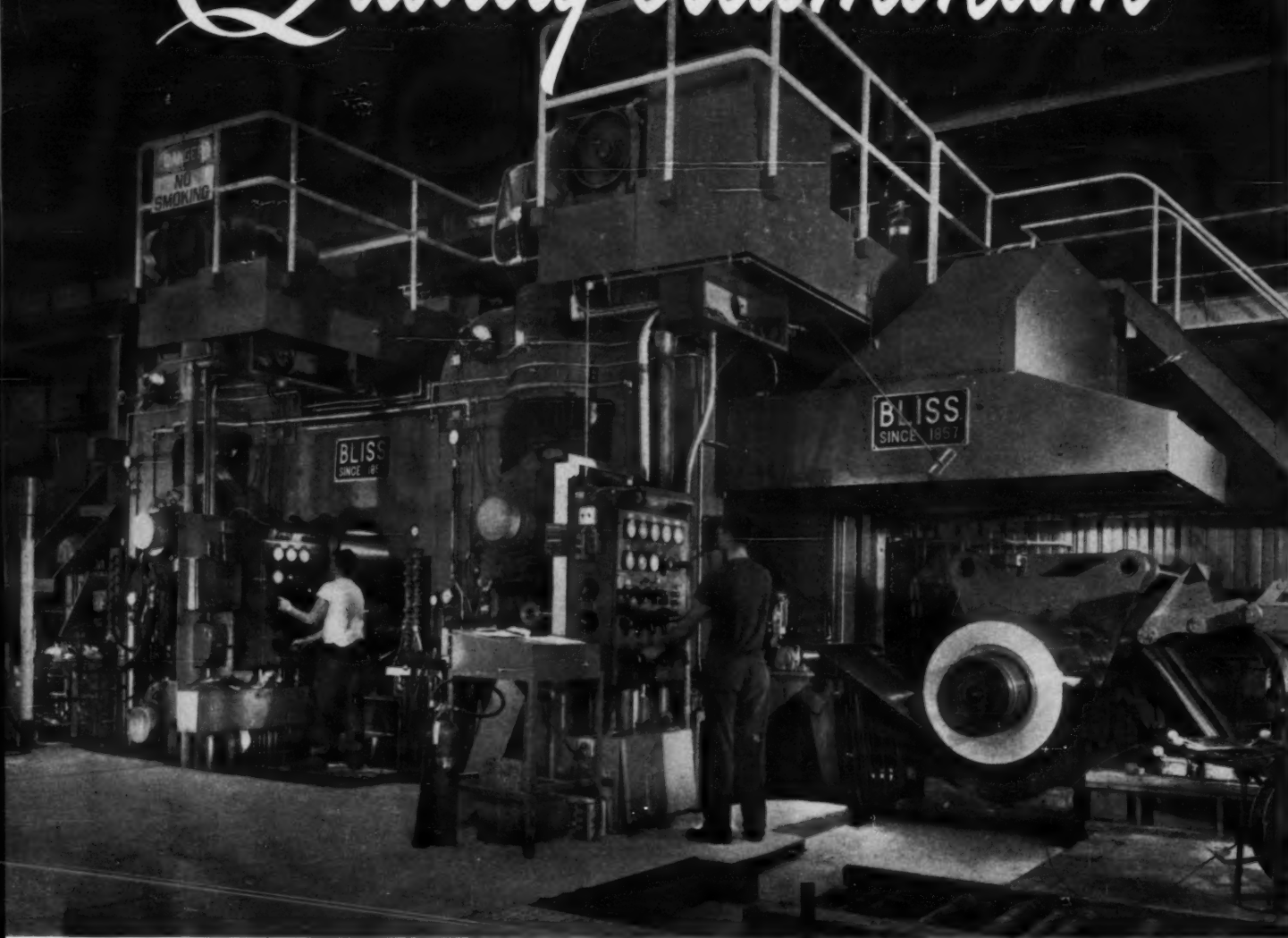
Kansas City

Kansas City, Mo.—J. O. Eppright, Witte Engine Works, has been elected president of the Kansas City Assn.

Other new officers are: J. C. Fisher, Sheffield Steel, first vice president; K. G. Houghlan, Platte Pipe Line Co., second vice president; K. A. Cruise, Bendix Aviation Corp., national director; T. L. Fehrenbach, Union Wire Rope, treasurer; H. L. Aker, Kansas City Life Insurance Co., secretary; Board members include Ray Shannon, Z. G. Robertson, and J. G. Yoder.

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New P.A. Assn. officers include:

← **KALAMAZOO VALLEY**—(l-r) J. E. Donahue, Allen Electric, nat. dir.; P. F. Barthold, Beach Products, pres.; E. J. Sokolowski, Western Michigan University, professional development; A. A. Parker, Ihling Bros.-Everard Co., sec.; P. V. Ernst, Borroughs Mfg., v.p. Missing is H. F. Anderson, treas.

→ **TRI CITY**—(seated, l-r) Earl Collison, nat. dir.; Kem Schricker, pres.; Richard Blackburn, 1st v.p.; Robert Fitzsimmons, 2nd v.p.; (standing) Charles Grayson, sec.; Robert Martensen, 3rd v.p.; Mark Marlaire, treas.; Virgil Ross, asst. treas.



Akron

Akron, Ohio—L. M. Pettit, Kent Machine Co., Cuyahoga Falls, is the new president of the Akron Assn. effective July 1.

Serving with him will be: C. B. Warner, Babcock & Wilcox Co., first vice president; A. B. Reash, Frank J. Stoltzka & Son, second vice president; D. P. Wolcott, B. F. Goodrich Co., secretary; C. W. MacCreedy, Ohio Edison Co., treasurer.

Dayton

Dayton, Ohio—Harold Barnes, McCall Corp., will succeed Clarence Johnson, as president of the Dayton Assn. Johnson has been named national director.

Other new officers are: Lloyd Garber, first vice president; Thomas Charlton, second vice president; Harriette Peters, secretary; Dan Shively, treasurer.

Purchasing Forum

Norristown, Pa.—James R. Jolly, Pearl Assurance Co., Ltd., was named president of the Fire & Casualty Insurance Purchasing Forum.

Other officers elected were: William R. McAdams, Employers Group of Insurance Cos., vice president; Robert DeLong, American Casualty Co., Reading, Pa., secretary; Joseph Finnegan, American Home Assurance Group, treasurer.

Wichita

Wichita, Kan.—Larry Payne, Blanchart Machine, has been in-



LARRY PAYNE

stalled as president of the Wichita Assn.

Serving with him are: Paul Shannon, Kansas Gas & Electric Co., first vice president; James A. Duncan, Boeing Airplane Co., second vice president; Ken Lanman, Vickers Petroleum Co., treasurer; L. R. Baker, Boeing Airplane Co., secretary.

Ralph W. Wheeler, Cessna Aircraft Co., Commercial Div., is national director. His alternate is Roy Bartles, Davis Mfg. Co.

(Continued on page 36)



AUTOMATION IN ACTION—Mammoth production requirements are met by this giant automated press which was developed by the Erie Foundry Company of Erie, Pennsylvania. It is equipped to turn out 1200 forgings an hour, requires only a single operator, and can outproduce a crew operating a hand-fed unit two or three times. Designed for the high volume forging of such parts as connecting rods, gear blanks, auto and tractor valves, stem pinions, ring gears, track links and wheel hubs, this masterpiece of engineering has a capacity of 2500 tons and weighs about 320,000 pounds. It swings into action when driven by this efficient Poly-V*M Section belt powered by a 250 H.P. motor. The belt, 18" wide (48 ribs), 301" long, was made by Manhattan Rubber Division of Raybestos-Manhattan, Inc., Passaic, New Jersey, employing Mount Vernon fabrics.

This is another example of how fabrics made by Mount Vernon Mills, Inc., and the industries they serve, are serving America. Mount Vernon engineers and its laboratory facilities are available to help you in the development of any new fabric or in the application of those already available.

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Association News in Brief

(Continued from page 35)

Purchase & Stores

Chicago—Verl E. McCoy, chief purchasing officer of the Milwaukee Road here, was elected chairman of the Purchases & Stores Div. of the Association of American Railroads.

McCoy succeeds Edwin A. Bromley, vice president of the purchases and stores department, Canadian National Railways, Montreal.

Named vice chairman of the division was Frank J. Steinberger, vice president and general purchasing agent of the Atchison, Topeka & Santa Fe Railway, Chicago. Continuing in the non-elective post of executive vice-chairman is James H. Bean.

Rochester

Rochester, N. Y.—John W. Averill, general purchasing agent of Stromberg-Carlson Div. General Dynamics, has moved up to the presidency of the Rochester Assn.

Other officers include: Charles Smail, Shuron-Optical Co., a Division of Textron, first vice president; Kurt J. Labelon Tape Co., second vice president; James Doris, Schlegel Mfg. Co., third vice president; Warren R. Barton, Consolidated-Vacuum Co., secretary-treasurer.

Named to the board of directors were: James W. Conklin, Toledo Scale Co., Kitchen Div.; Harold J. Hummell, American Brake Shoe; Joseph A. Ehrstein,

Co.; Walter H. May, Rochester Germicide Co.

Baltimore

Baltimore, Md.—R. C. Sivert, Calvert Distilling Co., has been named president of the Baltimore Assn.

Other officers appointed were: Bradford S. Fisher, American Smelting & Refining Co., vice president; H. Spilman Burns, Department of Education, Baltimore City Schools, treasurer; William H. Hedeman, Bendix Radio Div., Bendix Aviation Corp., secretary.

SABINE-NECHES ASSN. new officers include: (seated, l-r) R. J. Douglas, Gulf Oil Corp., 2nd v.p.; J. P. French, Gulf States Utilities, pres.; A. R. Cotton, Sun Oil Co., 1st v.p.; (standing) J. M. Kyle, Jr., Livingston Shipbuilding Co., local dir.; J. S. Looney, Std. Brass, local dir.; G. F. Hicks, Spencer Chemical Co., sec.-treas.; G. E. Brooke, DuPont, alternate nat. dir.; O. F. McClusky, Sun Oil Co., dir.



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Sheets

All thicknesses, alloys and tempers—cut to any size.

Coils

Thicknesses from .008 to .125—slit to any width... cut to any length.

Plates

Thicknesses from .250 to 4". Also tooling plate.

Rod

Rounds, 1/8" to 8" dia., cut or stock sizes; hexagons, 3/16" to 3" dia.

Bar

Squares, 1/4" to 4" dia.; rectangles, 1/8" x 1/4" to 3" x 6".

Structural Shapes

Angles, channels, tees and I-beams.

Extruded Architectural Shapes

Angles, channels, tees, I-beams, thresholds, sills, handrails, gravel stop, and coping.

Tubing and Holo-bar

Round, 3/16" to 6" diameter. Also square and rectangular tubing.

Pipe

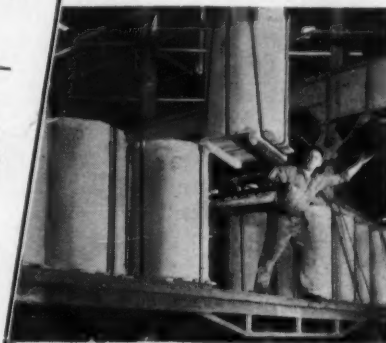
1/4" to 6" diameter, to 20' lengths.

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Corrugated, insulated wall, V-beam, ribbed siding, roof deck—plain or embossed. Accessories, too.

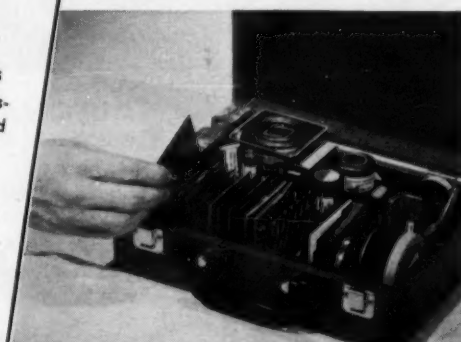
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J. W. AVERILL

Commercial Controls Corp., Division of Friden Calculating; Philip E. Kron, Eastman Kodak

District Eight Workshop On Advanced Purchasing Attracts 28 to Cornell

Ithaca, N. Y.—Twenty-eight purchasing agents from New York State, New Jersey, and Canada attended the first District 8 advanced purchasing workshop at Cornell University here.

Sponsored by the district's Professional Development Committee and the Activities Committee, the workshop covered such topics as materials management, vendor relations, vendor rating, trade relations, and value analysis.

The two-day program was under the direction of Walter E. Willets and Victor H. Pooler, chairman and vice chairman respectively of the Professional Development Committee. Dr. Howard T. Lewis, Professor Emeritus of the Harvard Graduate School of Business, conducted the workshop.



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Congress Hurls New Attack on Military Buying

(Continued from page 1)
Paul H. Douglas (D-Ill.), a leader in the new attack, is running for re-election and has made defense buying a campaign issue.

But Douglas and other congressmen also feel that the heavy emphasis by government on negotiated bidding is at the root of much of the alleged inept procurement practices.

Members of both parties favoring more open bidding on government contracts are using every new disclosure of overcharges and other wasteful practices to further their drive to curb contract negotiation and to revamp buying procedures.

GIVE EXAMPLES

• Douglas lugged onto the floor of the Senate last week a display of sockets, wrenches, cables, and drill bushings to emphasize his point about laxity in military buying. Waving a small lamp socket in the air, he charged that the Navy, for instance, had paid \$21.10 apiece for the sockets while a member of his staff had picked one up at a local retail store for 25¢.

• Sen. William Proxmire (D-Wis.) hinted at a conflict of interest case involving Commerce Secy. Frederick Mueller, whose son had sold \$60,000 worth of office furniture to the State Dept. Proxmire contended that the Department paid \$30,000 in transportation costs for the furniture to be air shipped to the American embassy in Venezuela.

• The government wasted \$16-million on development of a sin-

gle missile system according to a report published by the House Space Committee, because the Defense Dept. and the National Aeronautics and Space Administration were both working on the same type missile without the other knowing about it.

• The Senate Appropriations Committee rebuked the Pentagon for "numerous and admitted examples of waste and duplication" in military purchases in approving a \$40-billion defense budget for next fiscal year.

DISPLAYS ITEM

Sen. Douglas outdid the others with his visual display of 10 items, which, he says, "illustrate the fantastic sums which the military has paid—or which they claim they have paid—for specific items."

"I hold . . . in my hand," he told the Senate, two four-foot long cables for an operator headset. One was purchased by the Air Force for \$10.67; the other was bought by a staff member from a small electronics vendor in the suburbs of Washington for \$1.50.

In the case of a small wrench set purchased by the Army for \$29, Douglas produced a similar set which he said was advertised by the Pep Boys firm for \$3.89.

Dipping into his bag of items, Douglas next produced a box of 500 lamp sockets bought by the Navy at a cost of \$21.10 per socket, or \$10,550 for the box. Douglas put the price at 25¢ apiece, or \$125 for the box, according to an appraisal made of similar items at a nearby retail store.

Drill bushings procured by the Air Force at \$9.65 each, Douglas said, were likewise appraised at 25¢ to 50¢ apiece.

REFUSES NAMES

Douglas declined to name the companies from which the items had been bought, but he allowed newsmen to inspect the goods in his office to verify the cost.

An aide to the Senator says Douglas was not interested in accusing the companies of any

wrongdoing, but that he wanted to point up laxity on the part of the military in procuring merchandise.

Douglas estimated that as much as \$2-billion to \$3-billion in Pentagon purchases was being wasted each year by poor procurement procedures. As one example, he criticized heavy reliance by the Pentagon on negotiating contracts instead of throwing many open to bidding. He said that negotiated contracts during fiscal 1959 accounted for 86.4% of total funds spent for procurement of supplies—a practice he contended "has lost millions of dollars through improper contracting arrangements."

Other areas of armed services procurement that need improvement, according to the senator, are in supply system inventories, surplus property programs, and the stock funds systems used primarily by the Army and Navy to store items that can be bought by other agencies.

OTHERS JOIN ATTACK

Other senators frequently rose to their feet during Douglas' speech to congratulate him and to introduce illustrations of their own.

• Sen. Sam Ervin (D-N.C.) alleged that a contract for elevators bought for use in Pakistan was handed to the highest bidder after all low bids were thrown out.

• Sen. Eugene McCarthy (D-Minn.) brought up the case of a radio company which charged the government "\$223,000 in excess costs" on one contract.

Sen. Proxmire continued his attack on the State Dept. purchase of furniture by Commerce Secy. Mueller's son.

But the younger Mueller struck back at Proxmire. In a statement issued in Grand Rapids he said Proxmire was attacking small business. Mueller said his firm, employing 25 persons, had done business with the State Dept. for years before his father became Commerce Secretary.



SEN. PAUL DOUGLAS gives Congress a visual display of items which he says show that pentagon procurement practices are way off base. Other senators praised the Illinois Democrat's disclosures.

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"PURCHASING WEEK" P.O. BOX 12, NEW YORK 36, N. Y.

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—for you—the advertiser—and the publisher, if you mention this publication. Advertisers value highly this evidence of the publication you read. Satisfied advertisers enable the publisher to secure more advertisers and—more advertisers mean more information on more products or better service—more value—to YOU.

Each of these advertisements

represents a current WANT of an individual or concern, with some element of profit in each, for whoever can fulfill the need.

Some offer solutions to pressing production problems and others offer good used equipment.

"Searchlight" advertisements are constantly changing. New opportunities find their way into this great WANT medium each issue. Regular reading of the "Searchlight" pages can be as important to you as reading the editorial pages. One is news of the industry, the other—NEWS OF OPPORTUNITIES currently offered in the industry.

for
EVERY BUSINESS WANT
Think "SEARCHLIGHT" First

Price Changes for Purchasing Agents

Item & Company	Amount of Change	New Price	Reason
INCREASES			
Maleic anhydride, July 1, Lc.1, 250-lb. dms., lb.	.005	.255	
Fumaric acid, Monsanto, July 1, Lc.1, 250-lb. dms., lb.	.005	.2475	
Tung oil, impd., lb.	.0025	.2325	tight supply
Dibutyl phthalate, Union Carbide, July 1, tanks, lb.	.025	.285	incr. costs
Dimethyl phthalate, Union Carbide, July 1, tanks, lb.	.015	.265	incr. costs
Diethyl phthalate, Union Carbide, July 1, tanks, lb.	.01	.26	incr. costs
Casein, Arg., carlots, lb.	.005	.20	short supply
Gasoline, Mid-Cont. refiners, dlr. tnkwgn., gal.	.0025-.029	....	seasonal demand
Fine papers, Howard Smith, cwt.	.50-.75	....	incr. costs
Vinyl floor and wall coverings, Armstrong Cork, June 30	2-3%	....	incr. costs
Acetylsalicylic acid (aspirin), Monsanto, July 1, USP standard grade, 250-lb. dms., lb.	.01	.5625	incr. costs
Phthalic anhydride, 3 cos., July 1, lb.	.01-.02	.19	price uniformity
Gum rosins, N.Y., K, M, clts., cwt.	.25	\$13.75	short supply
N, clts., cwt.	.15	\$14.00	short supply
WG, clts., cwt.	.25	\$14.25	short supply
WW, clts., cwt.	.10	\$14.60	short supply
Arnel fabrics, tricot, 55 den. yarn mfr., dark, printing, celanese, yd.	.01-.02	....	yarn hikes
Triple superphosphate, 46% min., July 1, A.P.A. unit.	.02	\$1.00	incr. costs
Zirconium silicate, clts., lb.	.0025	.1525	
Refined sugar, ind'l grades, Northeast, July 1, cwt.	.20	\$9.40	raw sugar hikes
Gasoline, New Eng., dlr. tnkwgn., gal.	.005-.009	....	seasonal demand
REDUCTIONS			
Steel shipping drums, 55-gal., 18-gauge, light.	.50	\$6.00	competition
55-gal., heavy corrugated.	.50	\$12.16	competition
14-gal. to 16-gal. small grease drums.	.25	....	competition
Copra, Coast, ton.	\$7.50	\$180.00	

Rails Eye Rate Boost but Think Twice About It

This Week's

Purchasing Perspective

JUNE 20-26

(Continued from page 1)

produced some take-home thoughts for purchasing men standing on the sidelines at the AMA meeting. And a case in point was a bread-and-butter discussion of how to sell more through industrial distributors.

One look-ahead expert who forecasts a big jump in distributor sales is John W. DeWolf, vice president of G. M. Basford, a New York advertising agency with more than 60 industrial clients. DeWolf believes the number of manufacturers selling through distributors will jump about 30% in the next 10 years. There will be more industrial goods to be sold, and more "manufacturers will be using distributors and agents because they will find they can get into more markets that way." And finally, DeWolf believes more manufacturers are adopting distributors for production outlets because distributors are closer to P. A.'s and know what they need. But to meet purchasing's requirements, manufacturers have got to back their distributor outlets up with better sales engineers, technical literature, and training programs.

A McGraw-Hill editor, George Ganzenmuller of *Electrical Wholesaling*, expressed similar thoughts on the growing role of distributors. He told the AMA group that distributors are changing to meet new purchasing needs by becoming specialists on fewer products, offering better engineering service. And in addition to assuming the inventory function for many P. A.'s on MRO items, Ganzenmuller pointed to the possibility this could extend to OEM and raw material inventory in some lines.

cording to the Commerce Dept. Many companies take an item by item inventory once a year. But the surveys reveal many apparently do not, and only rough approximations can be made of actual inventory worth. With such a shaky base, it is all the more difficult to estimate accurately inventory needs during the three to six months ahead.

LITTLE UNIFORMITY

Finally, government people are distressed about the way the survey forms are filled out in various companies. Some companies apparently have taken more pains in filling out questionnaires, and have assigned top management and purchasing people to make the assessment. In other cases, the chore has been pushed off on an underling or clerk who may not have all the facts at hand.

The Department still hopes for a more "normal" economic period in which to test the survey and that as companies gain more experience in the matter, it will prove its merits.

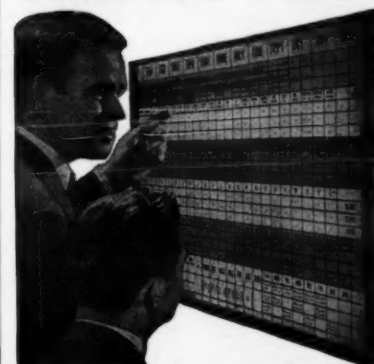
One factor that could ultimately prove of great importance is the introduction of more and more electronic data processing equipment that will give a more accurate picture of inventory positions. But it may be a long time developing before EDP can help produce more effective survey results.

In some cases where companies have introduced EDP, government people report, all the problems still are not licked. There are breakdowns and programming problems. But a new generation of business machines with greater accuracy could solve many of the current difficulties.

WHERE-TO-BUY

National purchasing section for new equipment, services, and merchandise. RATES: \$20.70 per advertising inch per insertion. Contract rates on request. Subject to agency commission and 2% cash discount. SPACE UNITS: 1-6 inches. Send new advertisements or inquiries to: CLASSIFIED ADVERTISING DIVISION "PURCHASING WEEK" Post Office Box 12, New York 36, N. Y.

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PURCHASING WEEK

POST OFFICE BOX 12

NEW YORK 36, NEW YORK

ployes. These unions have until July 8 to accept or reject the proposal. They are expected to accept it.

Negotiations on featherbedding, or work rules, are due to get underway in Chicago in the next few weeks. Insiders predict the railroads will have little or no success in getting work-rule changes this year—"you can't undo in a few months, problems created over a span of 60 years."

Hearings opened late last week before the Senate Judiciary Committee on a measure proposed by Senate Minority Leader Everett Dirksen (R-Ill.) that would bar unions from negotiating over elimination of jobs.

Current interpretations of Taft-Hartley and the Railway Labor Act give unions the right to bargain over management demands for elimination of jobs. And the Supreme Court recently held, in the Chicago Northwestern case, that the railroad had to bargain with the Telegraphers' Union over the proposed elimination of ticket stations.

But even if the rails don't have any success with the featherbedding issue this year, they stoutly maintain that there won't be any substantial rise in transportation charges.

"We cannot expect a rate increase, and we have no intention of bringing about a rate increase," assures Frank Conrad, traffic vice president of the Rock Island Lines, Chicago. "Changes

will occur in order to attract more business, perhaps by incentive rates, but definitely not by freight rate increases.

"After 10 years of this type of increase and its inadequate results," he adds, "there's been too great a business loss to attempt it now in order to meet this situation."

RATE GROUP TO MEET

Says E. V. Hill, Chairman of the Traffic Executive Association-Eastern Railroads, the rate-setting body for 28 Eastern roads:

"We'll be meeting sometime this week to find some way to increase revenues to meet this labor bill. We might be able to adjust some rates to erase losses on some types of traffic, lower rates on traffic to bring in a bigger volume, or increase carload minimum weights. There are a number of things we can do that might help avoid rate increases."

And John P. Derham, Jr., vice president of freight traffic for the Seaboard Air Line Railroad, Richmond, Va., comments, "we do not anticipate an increase in freight rates. In our opinion, no net benefit would accrue to our company if an increase were made. In fact, it might produce an adverse effect."

Our objective is to continue building our freight volume by providing the quantity and kind of service that will best meet the needs of our customers—at competitive prices."

Government Still Hopes to Work Out An Inventory Forecast That's Reliable

(Continued from page 1) nesses haven't been able to pinpoint the changes with more accuracy, either overestimating or underestimating the changes in both directions.

The Commerce Dept. in the next few weeks plans to send out one of its economists to meet with various companies to discuss the problems of forecasting and to try to institute more uniform practices in filling out the forms.

TOO MUCH TO EXPECT

Government economists feel the surveys to date have shown that it is perhaps too much to expect businesses to anticipate with any great deal of accuracy such unexpected swings in general economic activity.

Idea for the inventory forecasts emanated from the highly successful government anticipation surveys for the buying of capital plant and equipment. The two surveys are conducted by the same group in the Commerce Dept.

However, the two surveys are fundamentally different in characteristics. Budgeting for plant and equipment represent sizable commitments for fixed equipment. Once the decision is made to lay aside so much for capital spending, it is not so easy to alter plans.

But business apparently does not feel that it is as necessary to plan for future inventory spending with as much precision. Inventory purchases lend themselves to a more flexible pattern, and can be changed quickly.

ERROR'S DON'T BALANCE

Furthermore, results to date have shown that in many instances, the forecast made to the Commerce Dept. bear little resemblance to what the companies finally spent. In the capital spending surveys, results are not by any means 100% accurate from each company, but in general errors have tended to balance themselves out. This has not been as true for the inventory forecasts.

For one thing, capital plant and equipment is an easily identifiable item, and most major companies have good estimates of their worth. But the surveys have shown a distressing lack of such precise information about current inventory valuations, ac-

(Continued from page 1)

• **EASTERN RAILROADS:** These roads are in far worse financial shape than rails in the South and West, and can ill afford increased operating costs. The Pennsylvania Railroad says it will seek a general freight rate increase—but it is alone in this stand. Other Eastern rail executives say that if higher rates are deemed a must, they favor selective boosts on commodities not affected severely by competition—and selective decreases on some traffic to bring in more volume.

• **WESTERN RAILROADS:** "Hold the line on rates" is the slogan of most lines here. More internal economies, greater efficiency of operation, and more attractive rates for customers will most likely be the course taken to absorb wage increases. Only a few Western railroad executives mention the possibility of higher rates—and then only in terms of selective boosts on "captive" traffic.

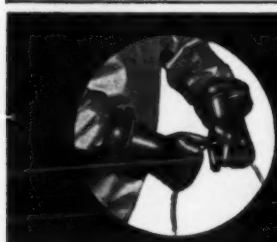
• **SOUTHERN RAILROADS:** Without exception, the five major Southern lines queried by PW reporters were firm in their opinion that they will not seek rate increases, despite higher labor costs. They were in full agreement that they must find ways of effecting economies within their companies to offset any rise in operating costs—and that the historic system of "passing the buck to the customer" now will only help competitors, not themselves.

The present outlook then is for selective boosts in some areas—either on "captive" traffic that must go by rail or on deficit traffic the rails don't mind losing—with almost as many selective rate decreases to attract a greater volume of profitable business.

On the other hand, railroad men still are trying to avoid any rate increases—but they're pinning their hopes on the outcome of their highly propagandized battle against "featherbedding."

Meanwhile, the railroads and their operating unions, including the Brotherhood of Locomotive Engineers and the Order of Railway Conductors and Brakemen, have agreed to a wage package totaling 11¢ an hour, reached through arbitration and negotiation.

A Presidential emergency board has proposed a similar pact for non-operating unions—11 in all—representing 500,000 em-



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THE **SURETY** RUBBER CO.
CARROLLTON, OHIO

IN CANADA: Safety Supply Co., Toronto

British Make Mass Sales Pitch at Huge Exhibit

New York—British manufacturers are out to get a bigger slice of the American market—and they're going to concentrate their selling efforts in product areas where they can undersell their American competition.

That's the consensus of British businessmen gathered here for the British Exhibition at New York's Coliseum. The exhibit, the largest of its kind brought to this country, is designed to give Americans a panoramic view of British life. A substantial portion of the displays is devoted to industrial products.

The British are picking their markets with care—are aiming for specialty items that have a high labor content. "We can't compete on standard house wire that is mass-produced, but we think we have an edge when it comes to high voltage cable," a representative of British Insulated Callender's Cables Ltd. told PURCHASING WEEK.

Most exhibitors view the show as a missionary opportunity—don't expect to come away with any orders. But the auto and truck makers don't subscribe to this philosophy. The automotive group takes up more space than any of the other industrial exhibits, and U.S. distributors are close at hand—ready to talk business.

The truck makers have some attractive wares to sell. They are specializing in small panel and delivery models. Pickups—with a claimed mileage of 28-30 mpg—carry price tags as low as \$1,850 complete (delivered to N.Y.).

Trucks that attracted the most interest included: Atlas Panel van (featuring unusually high-payload capacity for its size); the Austin A-152 "Omnivan" panel truck with 200 cu. ft. payload

capacity; the Commer 8-passenger and 12-passenger wagons available with either gasoline or diesel engine; the new Leyland "Chieftain" and "Clydesdale" diesel heavy haulage trucks, offering a particularly low fuel consumption; and the Thames "800" van with 170 cu. ft. payload in a vehicle measuring only 13 ft., 3 in. in over-all length.

Several British companies are offering special items not available here. "Our strongest U.S. sales come in telegraph testing

equipment, which is an exclusive Automatic Telegraph and Electric Ltd. product," an enthusiastic company salesman explained.


The products shown at the British show ranged from a piece of tubing smaller than a human hair (by Tube Investments Ltd.) to a 24,000 lb. gvw truck (Leyland Motors (U.S.A.) Inc.). Main emphasis was on heavy industrial equipment such as diesel engines and steelmaking apparatus, but communication and instrumentation components were also much in evidence

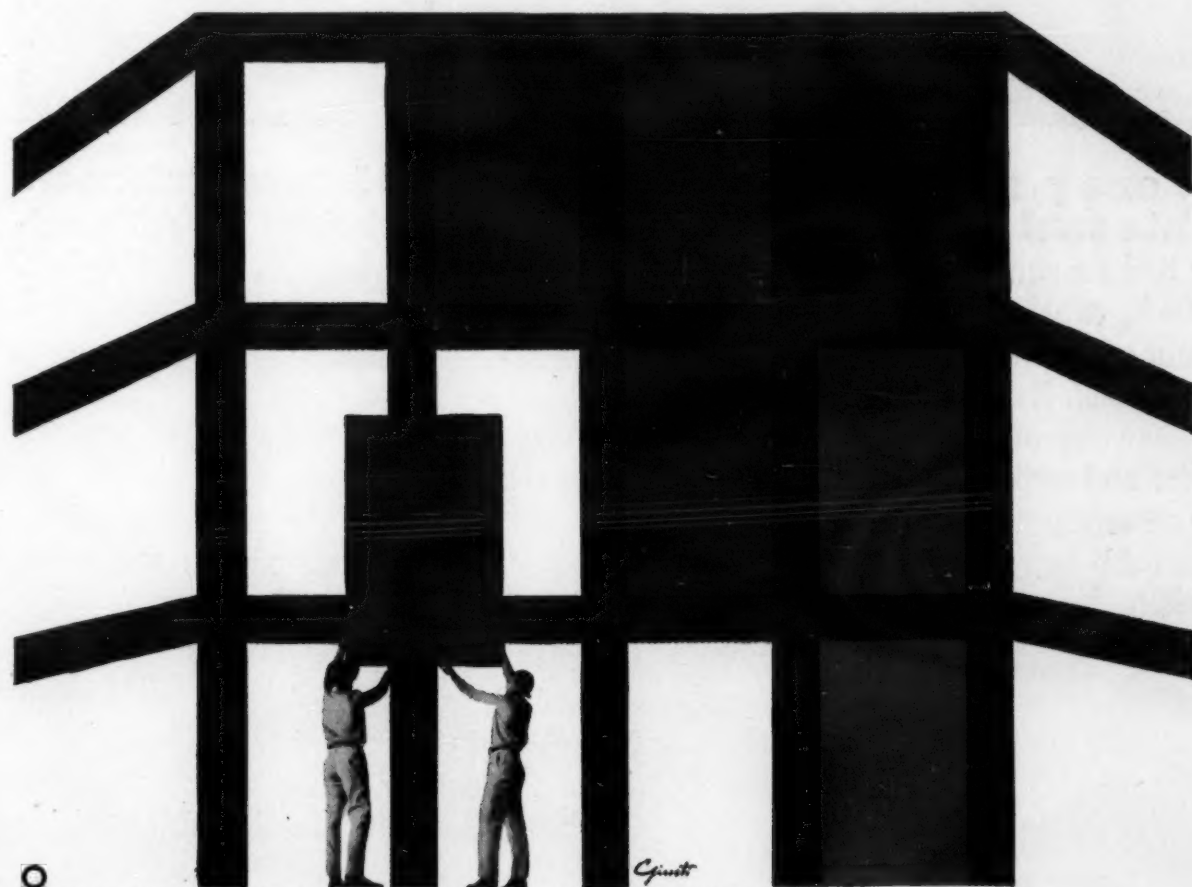


FORK LIFT TRUCKS were part of the well represented automotive group making a strong pitch for U. S. business at British exhibition.

How Olin Aluminum helps to transform concept into construction

Today, aluminum is pacing a creative upsurge in architecture and construction. Its myriad alloys, finishes and uses are springboards for advanced construction techniques...for dazzling design departures. Architects, designers, engineers and builders find that Olin Aluminum helps them realize aluminum's potentialities more fully. They're tapping our reserves of complete, up-to-the-minute metallurgical information. We aid them in turning design objectives into aluminum sheet, extrusions and structurals.

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OLIN MATHIESON • METALS DIVISION • 400 PARK AVENUE, NEW YORK 22, NEW YORK

GE Makes Drastic Cut In Price of Rectifiers; Cites High Production

(Continued from page 1) current rectifiers such as Transatron Electronics Corp., say they will follow GE's lead in order to remain competitive.

Manufacturers of low-current and high-current silicon control rectifiers, such as Texas Instruments and Westinghouse Corp., do not expect the new price cuts to upset prices on their semiconductor products.

Under the new GE prices, a 200-volt P.I.V. rectifier (C-35 B), for example, which sold prior to June 15 for \$38, now costs the purchaser \$20.

Medium-current silicon control rectifiers, a solid state cousin to the transistor, were pioneered by GE, which began commercial production in December, 1958. A company spokesman said that the sharply reduced prices are the result of increased production and increased demand.

New prices for the 16 ampere (C-35) line will range from \$9.75 to \$68.50 depending on the peak ratings. Prices for the 10 ampere line (C-36) range from \$7.50 to \$51. The inverter type device (C-40) will now carry tags from \$10.50 to \$36. Devices to meet military specs will cost \$12 to \$60. All are quantity prices to original equipment manufacturers.



A REPORT FROM ALCOA



To
the
purchasing
agent
who
must
decide
on
**COPPER
WIRE
AND
CABLE**

How one p. a. solved an emergency in 63 hours by knowing his cable facts: One Friday afternoon, a manufacturer in Seattle suddenly had an equipment breakdown. He needed 500 feet of 5-KV copper cable *fast*. At 5:05 he caught his Rome representative just leaving the office. Rome man called his home office in Rome, N. Y. By 11:00 that night the order had been assembled from Rome's stock. By 7:30 Monday morning the cable was *in Seattle and on the job!* This was a case of a purchaser who knew what he needed to know about buying copper wire and cable. **1.** He knew where to turn when he needed *service* that might cause other suppliers to pale. **2.** He also knew that *availability* is rarely a problem, because of Rome's stocking program and network of 500 distributors. **3.** He knew of Rome's delivery plan—close teamwork that puts every foot of cable where it's needed, when it is needed. **4.** And he knew Rome's *prices* are competitive.

Your turn next? Next time you are asked to buy wire and cable, be sure you have all the facts at your finger tips—and a supplier who comes through with the goods. Talk it over with your Rome Cable distributor now. Or write us for Bulletin RCP 100, "Guide to Representative Wire, Cable and Conduit", Rome Cable Division of Alcoa, Dept. 13-60, Rome, N. Y.

ROME CABLE
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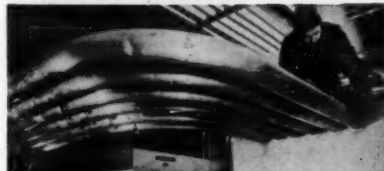
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